aap

ASSOCIATION OF AMERICAN PUBLISHERS

1987 INDUSTRY STATISTICS

COMPILED BY

Statistical Service Center

© 1988 by Association of American Publishers, Inc.

All rights reserved. No part of this report may be used or reproduced in any manner whatsoever without express permission from the Association of American Publishers, Inc., 220 East 23rd Street, New York, NY 10010

Numerical data processed and text composed by Statistical Service Center, P.O. Box 283, Spring Valley, NY 10977 - (914)-354-4349

Printed by Nyack Press
Nyack, New York

TABLE OF CONTENTS

All SALES Tables and Figures include both 1986 and 1987 data except as shown.
All Tables including UNIT data are so noted in this Table of Contents.

All OPERATING DATA Tables include 1987 data only, except as noted.

Page(s)		
		AAP Letter
		Instructions for Preparing Your Looseleaf Binder
i-ii		Report Title and Copyright Notice
iii-vi		Table of Contents
vii		Economic Review of the Year: 1987
viii	Figure S1	Estimated Book Publishing Industry Net Sales 1972, 1977, 1982, 1986-87
	Figure S2	1987 Income From Operations
ix-x		Statistics Committees
xi-xii		Participating Publishers
xiii-xvi		Introduction: Methodology and General Subject Definitions
xvii-xviii	Table S1	Estimated Book Publishing Industry Sales 1972, 1977, 1982, 1986-87
		Section A - Trade & Religious Book Publishers and Divisions
A1	Table A1	Actual and Estimated Trade and Religious Book Sales
A2	Figure A1	Estimated Trade and Religious Book Net Sales 1972, 1977, 1982, 1986-87
A3-A5	Table A2	Trade Book Sales by Type of Book (Dollars and Units)
A6-A7	Table A3	Domestic Net Trade Book Sales by Type of Customer 1987
A8	Table A4	Net Trade Book Sales by Geographical Location 1987
A9-A10	Table A5	Operating Data of Trade Book Publishers by Type of Book
A11	Table A6	Manufacturing Expense by Type of Book
	Table A7	Royalty Expense by Type of Book
A12	Table A8	Other Publishing Income by Type of Book
A13	Table A9	Editorial Expense by Type of Book
	Table A10	Production Expense by Type of Book
A13-A14	Table A11	Marketing Expense by Type of Book
A14	Table A12	Fulfillment Expense by Type of Book
A15	Table A13	General and Administrative Expense by Type of Book
	Table A14	Summary of Employee Benefits Expense by Type of Book
A16-A17	Table A15	Operating Data of Trade Book Publishers by Size of Publisher
A17	Table A16	Manufacturing Expense by Size of Publisher
A18	Table A17	Royalty Expense by Size of Publisher
	Table A18	Other Publishing Income by Size of Publisher
A19	Table A19	Editorial Expense by Size of Publisher
	Table A20	Production Expense by Size of Publisher
A20	Table A21	Marketing Expense by Size of Publisher
A21	Table A22	Fulfillment Expense by Size of Publisher
A22	Table A23	General and Administrative Expense by Size of Publisher
	Table A24	Summary of Employee Benefits Expense by Size of Publisher
A23	Figure A2	1987 Disposition of Income by Trade and Religious Book Publishers
	Table A25	Employee Data
A24	Table A26	Inventory Turnover
	Table A27	Billings and Receivables
A25-A26		Abstracted Definitions

Continued on page iv

TABLE OF CONTENTS

Continued from page iii

Page(s)		
		Section B – Technical, Scientific, Business, Medical and Other Professional Book Publishers and Divisions
B1	Table B1a	Sales of Professional Books by Category of Publication
B2	Figure B1	Estimated Professional Book Net Sales 1972, 1977, 1982, 1986-87
B2-B3	Table B1b	Sales of Professional Books by Category of Publication (Dollars and Units)
B4	Table B2	Net Sales of Professional Books by Subject Category (Dollars and Units)
B5	Table B3	Domestic Net Sales of Professional Books by Type of Customer 1987
B6	Table B4	Net Sales of Professional Books by Geographical Location 1987
B6-B7	Table B5	Operating Data of Professional Book Publishers by Category of Publication
B8	Table B6	Manufacturing Expense by Category of Publication
B9	Table B7	Royalty Expense by Category of Publication
	Table B8	Other Publishing Income by Category of Publication
B10	Table B9	Editorial Expense by Category of Publication
	Table B10	Production Expense by Category of Publication
B11	Table B11	Marketing Expense by Category of Publication
B12	Table B12	Fulfillment Expense by Category of Publication
B13	Table B13	General and Administrative Expense by Category of Publication
	Table B14	Summary of Employee Benefits Expense by Category of Publication
B14-B15	Table B15	Operating Data of Professional Book Publishers by Size of Publisher
B15	Table B16	Manufacturing Expense by Size of Publisher
B16	Table B17	Royalty Expense by Size of Publisher
	Table B18	Editorial Expense by Size of Publisher
B17	Table B19	Production Expense by Size of Publisher
	Table B20	Marketing Expense by Size of Publisher
B18	Table B21	Fulfillment Expense by Size of Publisher
B19	Table B22	General and Administrative Expense by Size of Publisher
	Table B23	Summary of Employee Benefits Expense by Size of Publisher
B20	Figure B2	1987 Disposition of Income by Professional Publishers
	Table B24	Employee Data
B21	Table B25	Billings and Receivables
	Table B26	Inventory Turnover
		Section C – Mass Market Paperback Publishers
C1-C2	Table C1	Sales of Mass Market Paperbacks 1985-87 (Dollars and Units)
C2-C3	Table C2a	Sales of Rack-Sized Mass Market Paperbacks by Type of Customer 1985-87 (Dollars and Units)
C4	Table C2b	Sales of Non-Rack-Sized Mass Market Paperbacks by Type of Customer 1985-87 (Dollars and Units)
C5	Table C3a	Operating Data of Mass Market Paperback Publishers (Rack-Sized Books Only), 1986-87
C6	Table C3b	Revenues and Cost of Sales of Non-Rack-Sized Book Publishers, 1986-87
	Table C4	Reserve For Returns of Mass Market Paperback Publishers, 1986-87
C7	Table C5	Editorial, Production and Marketing Expense (Rack-Sized Books Only), 1986-87
C8	Table C6	Employee Data (All Products), 1986-87

Continued on page

TABLE OF CONTENTS

Continued from page iv

Page(s)		
		Section D – Book Clubs and Mail Order Publications
D1–D2	Table D1	Sales by Book Clubs (Dollars and Units)
D2	Table D2	Gross Sales by Book Clubs by Category of Sale 1987
D3	Table D3	Geographical Distribution of Gross Sales by Book Clubs 1987
	Table D3a	Domestic Membership Data 1987
D4	Table D8	Consumer Mail Order Sales of Mail Order Publications (Dollars and Units)
		Section T – Estimated Elhi and College Industry Sales
F1	Table T1	Estimated Industry Sales of Textbooks, Educational Materials & Standardized Tests 1972, 1977, 1982, 1984, 1986–87
F2	Table T2	Estimated Domestic Industry Sales of Textbooks Related to Student Enrollment 1972, 1977, 1982–87
		Section F – School (Elhi) Publishers and Divisions
F3	Table F1	Sales of Elementary Textbooks and Materials (Dollars and Units)
F4	Table F2	Sales of High School Textbooks and Materials (Dollars and Units)
	Table F3	Sales of Elementary Textbooks and Materials by Subject Categories
F5	Table F4	Sales of High School Textbooks and Materials by Subject Categories
F6–F7	Table F5a	Sales of Elhi Textbooks and Materials by Geographical Location
F7	Figure F1	Estimated Elhi Textbook Net Sales 1972, 1977, 1982, 1986–87
F8–F9	Table F5b	Estimated Industry Sales of Elhi Textbooks by Geographical Location
F9–F10	Table F6	Geographical Analysis of Estimated Industry Sales of Elhi Textbooks
F11–F14	Table F7	Operating Data of Elhi Publishers by Size of Publisher, 1986–87
F15	Table F8	Inventory Data of Elhi Publishers by Size of Publisher
	Table F9	Cash Plant Expenditures of Elhi Publishers by Size of Publisher
F16	Table F10a	Editorial Expense of Elhi Publishers by Size of Publisher
	Table F10b	Production Expense of Elhi Publishers by Size of Publisher
F17	Table F11	Marketing Expense of Elhi Publishers by Size of Publisher
F18	Table F12	Fulfillment Expense of Elhi Publishers by Size of Publisher
F19	Table F13	General and Administrative Expense of Elhi Publishers by Size of Publisher
	Table F14	Summary of Employee Benefits Expense of Elhi Publishers by Size of Publisher
F20	Table F15	Billings and Receivables of Elhi Publishers
	Table F16	Employee Data of Elhi Publishers
	Table F17	Selected Balance Sheet Data of Elhi Publishers

Continued on page vi

TABLE OF CONTENTS

Continued from page v

Page(s)		
		Section G – College Publishers and Divisions
G1–G2	Table G1	Estimated Industry Sales of College Textbooks
G2–G3	Table G2	Sales of College Textbooks and Materials (Dollars and Units)
G4	Table G3	Net Sales of College Textbooks and Materials by Product Category 1984–87 (Dollars and Units)
G5	Table G5	Domestic Net Sales of College Textbooks and Materials by Market Category
	Table G6a	Net Sales of New and Revised and Backlist College Textbooks 1984–87 (Dollars and Units)
G6–G7	Table G6b	Domestic Net Sales of College Textbooks and Materials by Subject Categories 1985–87
G7–G10	Table G6c	Domestic Net Sales of College Textbooks by Subject Categories 1984–87 (Dollars and Units)
G10–G11	Table G7a	Net Sales of College Textbooks and Materials by Geographical Location
G12	Table G7b	Geographical Analysis of Estimated Domestic Industry Sales of College Textbooks
G13–G17	Table G8	Operating Data of College Publishers by Size of Publisher, 1986–87
G18	Table G9	Inventory Data of College Publishers by Size of Publisher
	Table G10	Royalty Expense of College Publishers by Size of Publisher
G19	Table G11	Editorial Expense of College Publishers by Size of Publisher
	Table G12	Production Expense of College Publishers by Size of Publisher
G20	Table G13	Marketing Expense of College Publishers by Size of Publisher
G20–G21	Table G14	Salesmen's Compensation and Expense of College Publishers, 1984–87
G21	Table G15	Fulfillment Expense of College Publishers by Size of Publisher
G22	Table G16	General and Administrative Expense of College Publishers by Size of Publisher
	Table G17	Summary of Employee Benefits Expense of College Publishers by Size of Publisher
G23	Table G18	Editorial Expense Ratios of College Publishers, 1984–87
	Table G19	Production Expense Ratios of College Publishers, 1984–87
G24	Table G20	Marketing Expense Ratios of College Publishers, 1984–87
G25	Table G21	Fulfillment Expense Ratios of College Publishers, 1984–87
G26	Table G22	General and Administrative Expense Ratios of College Publishers, 1984–87
	Table G23	Employee Benefits Expense Ratios of College Publishers, 1984–87
G27	Table G24	Employee Data of College Publishers, 1984–87
	Table G25	Selected Balance Sheet Data
G29		Abstracted Definitions

ECONOMIC REVIEW OF THE YEAR: 1987

We acknowledge gratefully the assistance of Adren Cooper, Office of the Chief Economist, U.S. Department of Commerce, for preparing this review.

The economy of 1987 was unflappable. No overheating. No sweating despite talk of continuing deficits and deeper debt. And no panic just because the stock market took a historic nose dive.

The steep slide in stocks for a few days in October was one of the most dramatic economic developments of the year, and perhaps the most nerve-wracking of the decade. The plunge produced black headlines but did not seem to have a profound, long-term impact. While Wall Streeters seemed to be in a state of shock, Main Streeters looked past the chasm. It was ironic that the economy registered its 59th month of economic growth, a peacetime record, shortly before the fall in stocks. The previous mark of 58 months was in 1975-80, and the average for postwar expansions is less than three years.

It was a year of brisk economic growth, strong employment gains, reduction in the Federal budget deficit, and continued containment of inflation. Business investment made a slight recovery and the deficit in foreign trade appeared to be leveling off even though the total shortfall was larger than the year before.

Some stockbrokers may have lost their jobs, but the net gain in employment for the economy was 3 million. Factories added 400,000 additional workers, the best increase in years. And most of that gain occurred in the last half of the year.

Consumer spending continued to grow, but not as rapidly as in the previous three years. As expected, consumers started spending a smaller proportion of their income even though automobile sales surged in the fall.

An expansion in the volume of exports was a stronger factor than consumer spending in terms of growth in gross national product. The lessening of the drag from foreign trade accounted for about a third of the GNP growth. Other areas of strength were business inventories and business investment (which went from a minus to a plus). Homebuilding was unchanged from the previous year.

It added up to an economic growth rate of 3.4 percent compared with 2.8 percent the previous year. Furthermore, the annual rate of growth in GNP in the fourth quarter was 6.1 percent. This hardly seemed to be evidence that the economy was doddering after five years of recovery, even if much of the fourth-quarter growth stemmed from a pileup of inventories.

Growth was attained without setting off alarm bells on inflation. The surge in manufacturing caused rates of capacity utilization to rise. The unemployment rate continued to decline. Nevertheless, there were few signs of strain on human or capital resources. At 3.6 percent, the rise in the consumer price index was a little less than anticipated. This was well above the 1.9 percent of the previous year, but that unusually low figure resulted from a drop in petroleum prices. Furthermore, the 1987 rate was only slightly higher than the average of the previous four years.

The 170-billion-dollar foreign trade deficit continued to cause concern, but the fourth quarter shortfall was only slightly higher than that of the first three months of the year. In terms of volume, the gap was smaller than the year before since most of the rise in imports resulted from higher prices (In turn, those rising import prices resulted from the sustained fall in the dollar that began in early 1985). Thus, the economic drag from the deficit was reduced even though the trade deficit, in dollar terms, was $15 billion larger than the year before.

The net investment position of the United States deteriorated by about 100 billion dollars as the current account balance continued to show minus signs. By year-end, this country had $368 billion fewer assets abroad than foreigners held in this country.

Of more immediate concern was the continued high rate of failure among savings and loan associations and banks. Many of these institutions had not been able to extricate themselves from the circumstances of some years earlier: jumps in oil prices in 1979 and 1980, speculation in oil and real estate, and then a drop in oil prices.

A different kind of problem had a happy outcome. The federal budget deficit was reduced by $70 billion to $150 billion, and it was the lowest since 1982. In part, this was the consequence of the tax reform act of 1986: it raised the effective tax on capital gains and thereby encouraged the sale of stocks and other property in 1986 before the new rules took effect. Taxes resulting from the higher volume of sales were paid in 1987 and thereby raised government revenue during the 1987 fiscal year.

With the clarity of hindsight, one can assert that buyers of stock were overly enthusiastic in the first half of 1987 and Washington economists and budgeteers were too pessimistic. In July, stocks were 30 percent above the level of six months earlier and 200 percent above the dismal recession days of 1982. The popular averages ended the year about where they began.

The market steadied in a remarkably short time after the October collapse. And, there was a general feeling that a storm had been weathered as the economy sailed into its sixth consecutive year of expansion.

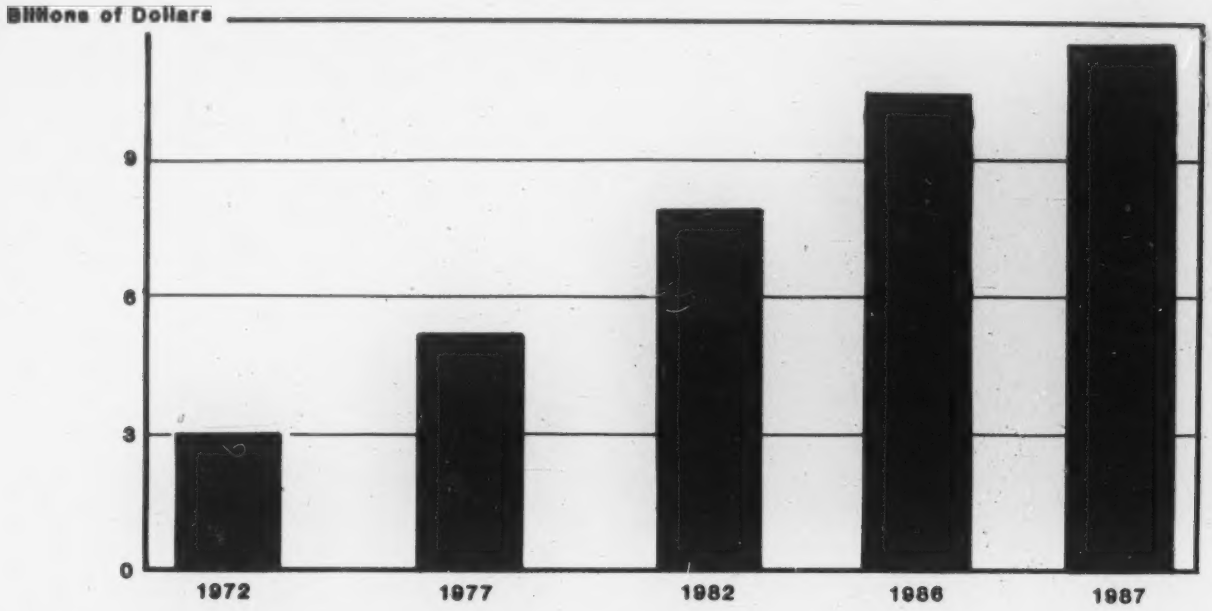


FIGURE S1 - ESTIMATED BOOK PUBLISHING INDUSTRY NET SALES 1972, 1977, 1982, 1986-87

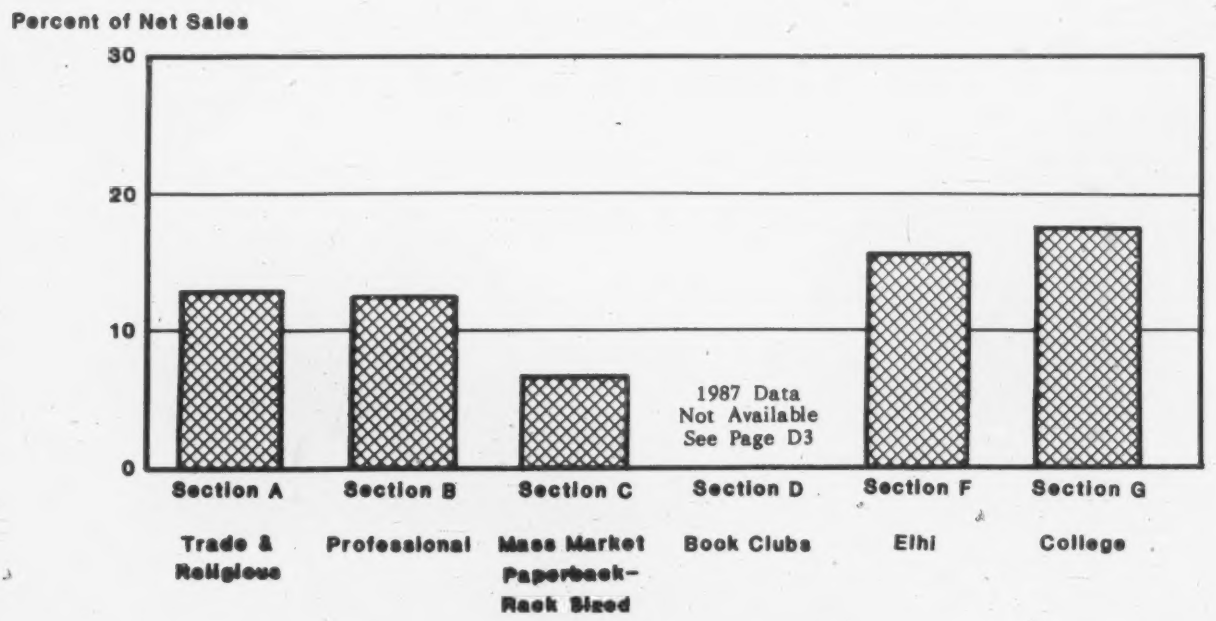


FIGURE S2 - 1987 INCOME FROM OPERATIONS

AAP Statistics Committee

Seymour Turk, Chairman
Book-of-the-Month Club

William Baker
Harper & Row

Jerry Butler
Warner Books

Ellen Faran
Harper & Row

Lynn Lumsden
Dodd, Mead

John Marozsan
Aspen Systems

Lawrence Moberg
Times Mirror

Herbert Nichols
Scott, Foresman/
Little Brown

James Ramig
Scott, Foresman/
Little Brown

William Smith
John Wiley & Sons

Ronald Woodward
Addison-Wesley

General Publishing Division (Business Managers Committee)

Ellen Faran, Chair
Harper & Row

Steven Berkowitz
Macmillan

Clyde Braunstein
Sterling Publishing

Richard Carapezzi
Putnam Publishing

Peter DeGiglio
Random House

Don Eckert
William Morrow

Robert Ferro
Watson-Guptill

Jon Harden
Dodd, Mead & Co.

David Levy
Crown Publishers

Steven Lessman
Doubleday

Mark Lilien
Viking Penguin

Stan Rosenbaum
Simon & Schuster

Higher Education Division (Business Managers Committee)

James Ramig, Chairman
Scott, Foresman/
Little Brown

Carol Anderson
Random House

James Briganti
Macmillan

John Gilman
Allyn & Bacon

Margo Harney
Addison-Wesley

Scott Jeffries
Harper & Row

Thomas Joyce
PWS-Kent Publishers

Bruce MacLean
Richard D. Irwin, Inc.

Eileen McCrossen
D.C. Heath & Co.

Elizabeth O'Brien
McGraw-Hill

Robert Schenck
Prentice-Hall

Thomas Vernon
John Wiley & Sons

Continued on page x

Continued from page ix

School Division

William Grace, Chairman
Prentice-Hall

Tom Delano
D.C. Heath & Co.

Howard Donaldson
Merrill Publishing

William Gavin
Houghton Mifflin

Richard Levitt
Addison-Wesley

Herbert Nichols
Scott, Foresman/
Little Brown

Jerome Welch
McGraw-Hill

Code letters following the participant's name identify the divisions to which that publisher responded:

A – Trade and Religious
B – Professional
C – Mass Market Paperback
D – Book Clubs and Mail Order Publications
F – School (Elhi)
G – Higher Education (College)

Publishers are listed, in accordance with their own choice, either as corporate entities or with subsidiaries shown separately, depending on the manner in which their data was supplied to the Survey.

Abingdon Press	A*
Harry N. Abrams	A
Addison-Wesley Publishing Co.	A B* F G
Allyn & Bacon	D F G
American Ass'n of Petroleum Geologists	B*
American Chemical Society	B
American Hospital Publishing	B
American Institute of Physics	B*
American Library Association	B
American Mathematical Society	B
AMSCO School Publications	F
Aspen Publishers	B
Avon Books	C
Baha'i Publishing Trust	A
Bantam/Dell Publishing	A C
Berkley Publishing Group	C
Bethany House Publishers	A
Better Homes & Gardens–Meredith	A* D*
BNA Books	B
Book-of-the-Month Club	D
R.R. Bowker Co.	B*
Broadman Press/Holman Bible	A
Wm. C. Brown Co. Publishers	G
Chelsea House Publishers	A
Chronicle Books	A
David C. Cook Publishing Co.	A
Crabtree Publishing Co.	A F
Delmar Publishers	F* G
Dorchester Publishing Co.	C
Doubleday Book & Music Clubs	D
Dushkin Publishing Group	G
Elsevier Science Publishing Co.	B
EMC Corporation	F
Facts on File	A
W.H. Freeman & Co. Publishers	G
Fromm International Publishing	A

* Denotes publishers who did not reply directly to this section, but whose data, from the December 1987 AAP Monthly Sales Reports were incorporated into the text, and in some instances, to the first sales table in the indicated section in this volume.

Continued on page xii

Continued from page xi

Gale Research Co.	A
Gallopade Publishing	A
Good News Publishers	A
Grolier, Inc.	A B* D
Harcourt Brace Jovanovich	G
Harlequin Books	C
Harper & Row, Publishers	A B G
Harrison House	A
Health Administration Press	B
D.C. Heath & Co.	B F G
Houghton-Mifflin Co.	A F G
Hudson Hills Press	A
Industrial Press	B
International Marine Publishing Co.	A
Richard D. Irwin, Inc.	G
Island Press	B
Jones & Bartlett Publishers	B G
Jossey-Bass, Inc. Publishers	B
David S. Lake Publishers	F
Linguistics International	G
Little Brown & Co.	A B
Longman Group USA	B
Macmillan Publishing Co.	A B F G
Mayfield Publishing Co.	G
McDougal, Littell & Co.	F
McGraw-Hill Book Co.	A B D F G
Medical Economics Books	B*
Merriam-Webster	A
Merrill Publishing Co.	F G
William Morrow & Co.	A*
C.V. Mosby Co.	B G
National Publishing	A
New American Library	A C
New York Academy of Sciences	B*
W.W. Norton & Co.	A G
Open Court Publishing	F
Orbis Books	A
Oxford University Press	A B G
Peanut Butter Publishing	A
Plenum Publishing Corp.	B*
Prentice Hall	F G
PSG Publishing Co.	B
Putnam Publishing Group	A
Random House	A C F G
Raven Press	B
Fleming H. Revell	A
Riverside Publishing	F
St. Luke's Press	A*
St. Martin's Press	A B C G

* Denotes publishers who did not reply directly to this section, but whose data, from the December 1987 AAP Monthly Sales Reports were incorporated into the text, and in some instances, to the first sales table in the indicated section in this volume.

Continued on page xviii

INTRODUCTION: METHODOLOGY AND GENERAL SUBJECT DEFINITIONS

AAP Statistical Surveys embrace the entire book publishing industry, educational as well as general, including activities of publishers who produce audio-visual and other non-print materials. All major divisions of the industry are given detailed coverage in this volume, except Subscription Reference (i.e. encyclopedia and related product), Standardized Tests, and University Presses whose activities appear only in summary form or in industry estimates, since detailed reports for these groups are issued separately.

The divisions for which extensive marketing and operating data have been provided in this volume are:

Trade and Religious - Section A
Professional - Section B
Mass Market Paperback - Section C
Book Club & Mail Order Publ. - Section D
Elhi Textbooks and Materials - Section F
College Textbooks and Materials - Section G

In addition, estimates of total industry activity are provided in Table S1 following this introduction, and, for the educational portion of the industry, in tables T1 and T3.

Most of the features of the prior years reports have been retained. It should be noted, however, that the 1986 information in this 1987 Industry Statistics may vary from comparable data in the 1986 Industry Statistics Report. This is due to differing respondents to each annual survey.

Publishers and organizations both within and without AAP were asked to contribute data. A complete list of participating publishers is included with this report.

HOW TO UTILIZE THIS SURVEY

The key to a meaningful and useful industry statistical report is comparability. If a publisher, attempting to relate his own experiences to the composite data, finds that he can do so with relative ease, he is likely to reap considerable benefits from an analysis of common experience.

A number of strategies have been employed in this report to enhance comparability. Structurally, the survey brings together groups of publishers who operate in similar economic circumstances. The factors which contribute to a communality of statistical interests are, predominantly, similarities of product, of market, and of marketing technique. These are similarities, however, not identities. The character of the material published, the intended consumer, and the means of reaching him often vary considerably even among publishers in the same division. In consequence, methods of record keeping and accounting frequently differ as well.

INTERPRETING THE DATA

To achieve comparability for all requires that statistical information be produced in a common language, understandable and applicable to all. Hence common definitions, formulated on a divisional basis, reflect majority practice in each division.

When a publisher reports to the survey, he translates his data into the common language, thus making it comparable with data from other contributors. This is vital if a meaningful result is to be obtained. **What is equally important, however, is that in analyzing the report, a publisher translate the data back into his own particular terms.** Only if he does so can the composite experience become genuinely meaningful to him.

Certainly, as an indispensable first step, the contributing publisher should compare his own submission, already rendered in the common language, to the report and by that means move on to a full translation.

Interpretation of the data, and relating it to his own circumstances requires that a publisher

Continued on page xiv

DEFINITIONS AND INSTRUCTIONS

Copies of the questionnaires, definitions and instructions, which were furnished to participating publishers, are available on request from the AAP New York Office.

It is essential that the reader familiarize himself with the General Instructions and Definitions, as well as with specific instructions and definitions of any section to which he refers, in order to give correct interpretation to the data presented.

Continued from page xiii

exercise imagination and analytical skill. He must detect similarities, as well as differences, between himself and the industry group portrayed. This introduction, the text with the tables, and the definitions contained in the questionnaires (available on request from the AAP New York Office), will alert the analyst to most of the difficulties in this area.

METHODS OF GATHERING AND REPORTING DATA

The Survey adopted a flexible attitude regarding the extent of detail publishers were able to furnish about their sales and operating experience. While encouraging them to provide as much specific information as possible, it also urged them to supply at least totals or summaries whenever details were not available.

Consequently, in reporting data on varying levels of details, the following devices have been employed:

Tables reporting sales or operating ratios for categories of publication or types of book, contain vertical lead columns headed "All Sales" or "All Publishers", followed by columns devoted to "Hardbound", "Paperbound" or other categories. In such cases data that publishers have not broken down by category will appear in the "All Sales" or "All Publishers" column, **along with** the sum of the detailed figures in the remaining columns, while **only specific** data pertaining to the detailed categories will appear in the category column proper. As a result, the detail columns will **not add horizontally** to equal the ammounts shown in the summary columns. In most cases, the summary column will show amounts **larger** than the total of the detailed columns. (A space break is inserted between the summary columns and the detail columns to emphasize this point).

Horizontal line entries, when representing breakdowns subsequently totaled, may be followed by a line designated **"Unspecified".** This line represents that portion of the total data for which breakdowns have not been furnished by publishers. However, whenever percentages of totals are reported with lines giving breakdowns, these percentages are calculated assuming that the "Unspecified" amounts would break down in the same proportion to the total as the detail actually reported. Accordingly, no percentage relationship to the total is assigned to "Unspecified" entries. (In Section C, Mass Market Paperback, unspecified **data** are allocated in the same proportions as reported data and are **not** shown separately as "Unspecified").

In reporting **Operating Data in Sections A and B,** the principal income and expense areas are summarized in two **main tables** by: a. **category** or **type** of book published; and b. **size** of publisher. The main tables are followed by **detail tables** in which income and expense areas are analyzed by more specific breakdowns. (In **Sections F and G** the analysis is by **size** only).

It is important to remember that the **population of publishers reporting to the main operating table and to each of the detailed tables may not necessarily be the same.** In fact, for certain categories of income or expense, some publishers' data will appear only in the main table, while others' will appear in both, and certain others' only in the detail tables. (The last instance may involve publishers who, because they did not report Gross Sales and Returns but only Net Sales, could not be included in the main table, but who furnished income and cost details which could be related to their Net Sales and reported in the detail tables, or publishers who could report data for 1987 only, while the main table may have required both 1987 and 1986 data).

To provide full **perspective on the population** represented in each table, be it a main or detail table, the following information is normally furnished:

1. Number of Publishers Included
2. Net Sales of Publishers Included

Readers should not be misled, however, by a **superficial examination** of the **number** of publishers represented in, for example, a main table and a related detail table. Only if **both** the **Net Sales AND the number of reporting publishers** appear to match is it likely that the same population is represented. Similarities of number **OR** Net Sales should not be mistaken for identities!

In this connection, please note that the following populations are identical:

The publishers included in the **two main tables** (i.e. the **same** publishers' data are analyzed by category and size.

The publishers included in each group of two income or expense sub-tables (e.g. the editorial experience of the **same** publishers are analyzed by category and size.

Accordingly, the "All Publishers" vertical lead columns will be identical in each of the two main tables, the two editorial expense tables, the two marketing expense tables, etc. The remaining columns will change, however, in accordance with the nature of the analysis by category and size.

ESTIMATING BY PUBLISHERS

To restate their data in the common language of the definitions and to satisfy requests for detailed breakdowns, required that publishers estimate some of the information they supplied to this Survey. Not only were they encouraged to do so, but specific

Continued on page xv

Continued from page xiv

suggestions and instructions for formulating the most significant of these estimates were provided in the questionnaires.

OTHER TERMS AND DEVICES

Arithmetic Averages are supplied throughout this Report.

Ranges of two types are employed:

Full ranges (simply identified as "Range" in column headings) represent the lowest and highest data values reported by individual publishers.

Mid-ranges (an abbreviation in column headings for "Mid-50% Range" or, more technically, "Interquartile Range") represent the experiences of the middle 50% of the reporting group, i.e. those from the 26th to the 75th percentile on a scale that arranges the data values in order, from the lowest to the highest. By utilizing the "mid-range" rather than the full range, it is possible to report only the most representative experiences, eliminating the high and low extremes which, for a variety of reasons, may be uncharacteristic.

Except in instances where full range reporting is required to make the data meaningful, mid-ranges are utilized throughout this Report.

Dollar totals are calculated by accumulating individual items rounded to the nearest dollar (or to the nearest thousand in certain sales tables) and **do not** represent simple additions of the items in a column. (Because of the rounding practice, the last digits in a column may not add exactly when the items in that column are totalled arithmetically).

PREVENTING DISCLOSURE

Whenever specific information--either actual data, or citing the number of publishers reporting--could lead to disclosure of their individual activities, such information has been withheld and the fact noted in the text accompanying the tables.

DEFINITIONS OF THE DIVISIONS

The following listing indicates the sections in which various products should be reported. Definitions follow this listing:

Section A
- Adult Trade
- Juvenile Trade
- Religious
- Scholarly or Library Reprint

Section B
- Technical and Scientific
- Business and Other Professional
- Law
- Medical*

Section C
- Mass Market Paperbacks

Section D
- Consumer Book Clubs
- Professional Book Clubs
- Educational (for Student) Book Clubs
- Mail Order Publications

Section F
- Elhi Level (Grades K-12) Textbooks
- Audiovisual and other (K-12) Educational Materials

Section G
- College Level (Grades 13 & Up) Textbooks
- Audiovisual and other (Grades 13 & Up) Educational Materials

* Medical, nursing and other health sciences textbooks published by **medical** publishers should be reported in section B. All such textbooks published by **non-medical** publishers should be reported in section G (if College level) or in section F (if Elhi level).

INCLUSION OF PRODUCTS

In general, the program covers books and such other printed, non-print, and audiovisual materials as are part of the regular publishing activities of book, educational and professional publishers.

Periodicals of all kinds are excluded. Note, however, that books issued annually are to be considered books rather than periodicals.

Books should be distinguished from **pamphlets** by the following criteria:

All **hardcover** volumes, regardless of length are considered books.

All **juvenile** titles, hard or softcovered, regardless of length, are considered books, except coloring books.

Normally, a softbound publication of between 5 and 48 pages, exclusive of cover pages, is considered a **pamphlet.** However, even softbound volumes of 48 pages or less are to be considered books if their physical design is more that of a book than a pamphlet (such as a mass market paperback that is perfect bound rather than saddle stitched) and if they are part of a book series, and if they are generally recognized as books by the trade and the professions (such as text-related workbooks).

Continued on page xvi

Continued from page xv

For specific guidelines regarding the inclusion of materials, refer to the instructions on each questionnaire.

Trade Books: Books, both adult and juvenile, hardbound and paperbound, created predominantly (50% or more) for the general consumer and marketed primarily (50% or more) through trade channels, i.e. to bookstores and libraries either directly or through wholesalers and jobbers, should be reported in section A. Paperbound books primarily distributed through the mass market media, such as those published by mass market paperback publishers, should be reported in section C. Also to be included in section A are so-called "scholarly" or "library" reprints.

Increasingly, trade books, particularly paperbacks, are used in educational programs. They should not be classified as textbooks, however, if they are not created as such primarily, and if they contain no textbook apparatus (such as summaries and test questions).

Religious Books: are books whose content is predominantly of a religious nature: Bibles, Testaments, Hymnals, Prayerbooks, and other works of fiction and non-fiction, adult or juvenile, hardbound or paperbound, of specifically religious character.

Recent trends in the field of religion, as well as in religious publishing, make it increasingly difficult to distinguish between certain religious and trade books. For this reason Trade and Religious publishers are surveyed jointly, and both are asked to report their data in section A. Books with only peripheral religious content, even though they appear under the imprint of a religious publisher, should be reported as trade rather than as religious books.

Not to be included in this report are Church and Sunday School materials, and pamphlets of less than 48 pages.

Technical and Scientific Books: Books on the physical, biological, earth and social sciences, and on technology, engineering and the trades, created primarily for the professional audience: practicing and research scientists, engineers, architects, technicians, mechanics and teachers in these and allied fields. Many of these materials are also used in educational settings, particularly on the senior college and graduate level. However, as they are not created primarily to be texts, they should be reported in section B.

Business and Other Professional Books: Books addressed to businessmen, managers, accountants, and individuals in the professions, not covered under Technical and Scientific or Medical: lawyers and librarians, among others. Exclude looseleaf services. Report in section B.

Medical Books: Books designed for the medical profession: physicians, dentists, hospital administrators, veterinarians, pharmacists, etc. Nursing textbooks, along with other medical and health science texts published by **medical** publishers should be included here and reported in section B. (All such textbooks published by **non-medical** publishers should be reported in section G, if college-level, or in section F, if Elhi-level).

Mass Market Paperbacks: Softbound works of adult or juvenile fiction and non-fiction distributed predominantly (50% or more) directly or through wholesalers, to mass market outlets: newsstands, drug stores, chain stores, supermarkets, etc. Report in section C.

Book Club and Mail Order Publications: Includes data on book clubs serving both consumer and professional audiences, general as well as specialized. Should include only data pertaining to book club sales and operations--not sales to book clubs by publishers, for example. Also included here are books created and published primarily (50% or more) for delivery by mail directly to the general consumer. DO NOT INCLUDE SALES BY DIRECT MAIL OF TRADE BOOKS OR PROFESSIONAL BOOKS (c.f. definitions) which should be shown in sections A and B respectively. INCLUDE ONLY DATA ON BOOKS PUBLISHED PRIMARILY FOR MAIL ORDER DISTRIBUTION TO THE GENERAL CONSUMER MARKET. Report in section D.

Textbooks, whether college or elhi, are books created and marketed primarily (50% or more) for classroom adoption and for use in formal educational settings. They contain textbook apparatus, such as summaries and test questions, and, unlike Trade and Professional Books, are not normally marketed to the general juvenile or adult consumer. These, as well as other fundamentally instructional materials, such as programmed books, workbooks, and audiovisual educational materials, should be reported in section F (Elhi--Grades K-12) and section G (College--Grades 13 & Up). Excepted are Medical, Nursing, and other Health Sciences Textbooks published by **medical** publishers, which should be reported in section B. (All such textbooks published by **non-medical** publishers should be reported in sections F or G).

TABLE S1 - ESTIMATED BOOK PUBLISHING INDUSTRY SALES 1972, 1977, 1982, 1986-87

MILLIONS OF DOLLARS

	1972	1977	1982		1986		1987			
	$	$	$	PCT CHG FROM 77	$	PCT CHG FROM 82	$	PCT CHG FROM 86	PCT CHG FROM 82	PCT CHG FROM 77
TRADE (TOTAL)	444.8	887.2	1355.5	52.8	2095.5	54.6	2428.5	15.9	79.2	173.7
ADULT HARDBOUND	251.5	501.3	671.6	34.3	1025.8	52.7	1211.5	18.1	80.4	141.7
ADULT PAPERBOUND #	82.4	223.7	452.0	102.1	683.5	51.2	767.6	12.3	69.8	243.1
JUVENILE HARDBOUND	106.5	136.1	180.3	32.5	290.1	60.9	334.5	15.3	85.5	145.8
JUVENILE PAPERBOUND	4.4	26.1	51.5	97.3	96.1	86.6	114.9	19.6	123.1	340.2
RELIGIOUS (TOTAL)	117.5	250.6	390.0	55.6	475.5	21.9	539.3	13.4	38.3	115.2
BIBLES, TESTAMENTS, HYMNALS & PRAYER-BOOKS	61.6	116.3	163.7	40.8	182.9	11.7	210.7	15.2	28.7	81.2
OTHER RELIGIOUS	55.9	134.3	226.2	68.4	292.6	29.4	328.6	12.3	45.3	144.7
PROFESSIONAL (TOTAL)	381.0	698.2	1230.5	76.2	1722.5	40.0	1845.2	7.1	50.0	164.3
TECHNICAL & SCIENTIF.	131.8	249.3	431.4	73.0	579.1	34.2	635.9	9.8	47.4	155.1
BUSINESS & OTHER PROF	192.2	286.3	530.6	85.3	747.5	40.9	796.8	6.6	50.2	178.3
MEDICAL	57.0	162.6	268.5	65.1	395.9	47.4	412.5	4.2	53.6	153.7
BOOK CLUBS	240.5	406.7	590.0	45.1	698.4	18.4	779.4	11.6	32.1	91.6
MAIL ORDER PUBLICATIONS	198.9	396.4	604.6	52.5	620.6	2.6	627.4	1.1	3.8	58.3
MASS MARKET PAPERBACK RACK-SIZED *	250.0	487.7	685.5	40.6	792.3	15.6	893.7	12.8	30.4	83.2
UNIVERSITY PRESSES	41.4	56.1	122.9	119.1	160.5	30.6	172.1	7.2	40.0	206.8
ELEMENTARY & SECONDARY TEXT	497.6	755.9	1051.5	39.1	1604.0	52.5	1705.1	6.3	62.2	125.6
COLLEGE TEXT **	375.3	649.7	1142.4	75.8	1409.8	23.4	1521.2	7.9	33.2	134.2
STANDARDIZED TESTS	26.5	44.6	69.7	56.3	96.6	38.6	101.9	5.5	46.2	128.5
SUBSCRIPTION REFERENCE	278.9	294.4	396.6	34.7	501.2	26.4	516.2	3.0	30.2	75.3
AV & OTHER MEDIA (TOTAL)	116.2	151.3	148.0	-2.2	211.1	42.6	213.0	0.9	43.9	40.8
ELHI	101.2	131.4	130.1	-1.0	177.4	36.4	174.7	-1.5	34.3	33.0
COLLEGE	9.2	11.6	7.9	-31.9	13.5	70.9	15.1	11.5	91.1	30.2
OTHER	5.8	8.3	10.0	20.5	20.2	102.0	23.2	14.9	132.0	179.5
OTHER SALES	49.2	63.4	77.1	21.6	96.5	25.2	104.2	8.0	35.1	64.4
TOTAL	3017.8	5142.2	7864.3	52.9	10484.5	33.3	11447.2	9.2	45.6	122.6

\# Includes Non-Rack-Sized sales by Mass Market Publishers of $113.5 million in 1982; $172.9 million in 1986, and $200.0 million in 1987.

* The added reporting of certain mass market publishers in 1985 and 1986 has given this survey data from all major MMPB publishers. Based on this information, it would seem that our estimates of the industry sales were virtually "on the mark". However, to allow for the few small non-reporting MMPB publishers, we have increased our 1982 estimate by $20 million, and our 1986 estimate by $30 million.

** The Higher Education Division of AAP has requested the Statistical Service Center to conduct an independent survey of college publishers. For 1987, this survey of 50 college publishers, which in the opinion of the Higher Education Division Statistics Committee represent the majority of known college publishers, reported sales of $1249.1 million. The results of this Survey, and a list of the participants, are presented as Table G1.

Footnotes continued on page xviii.

TABLE S1 - ESTIMATED BOOK PUBLISHING INDUSTRY SALES 1972, 1977, 1982, 19856-87

Continued from page xvii

This table provides estimates of U.S. Produced product.

The sales estimates in Table S1 are based on the 1977 and 1982 Censuses of Manufactures for SIC 2731 (Book Publishing) by the Bureau of the Census of the U.S. Department of Commerce. In addition, increases and decreases in yearly sales estimates reflect actual percentage changes in sales as reported to this survey, and to the AAP Monthly Sales Report by participating publishers.

As in prior reports, the estimates reflect the impact of the industry expansion created by new establishments entering the field, in addition to incorporating the sales increases or decreases of established firms.

Readers comparing the estimated data with Census reports should recall that the U.S. Census does not include data on most university presses or on other institutionally sponsored and not-for-profit publishing activities, nor on the audiovisual and other media materials which are included in this table. On the other hand, AAP estimates have traditionally excluded Sunday School Materials, and certain pamphlets which are incorporated in the Census data.

It should be noted that the "Other Sales" category in Table S1 does not include any regular book sales but only sheet sales, domestic and export (except those to prebinders) and miscellaneous merchandise sales.

Estimates include domestic sales and export sales only and do not cover indigenous activities of publishers' foreign subsidiaries.

PARTICIPATING PUBLISHERS

Continued from page xii

Salem House	A
Scholastic Inc.	F
Science Research Associates	F*
Scott, Foresman & Co.	F G
Self-Counsel Press	A
Silver Burdett & Ginn	F
Simon & Schuster	A B C D
South-Western Publishing	F G
Springer-Verlag New York	B
Steck Vaughn Co.	F
Time-Life Books	A D
University Microfilms International	A B
Unwin Hyman	B
Urban & Schwarzenberg	B
Van Nostrand Reinhold	B D*
Viking Penguin	A
Wadsworth, Inc.	G
Warner Books	A* C
Warren, Gorham & Lamont	B
Westminster Press	A*
Westview Press	G
John Wiley & Sons	B G
Williams & Wilkins	B
Word, Inc.	A
World Book Encyclopedia	D
Year Book Medical Publishers	B
Zondervan Bible Publishers	A

* Denotes publishers who did not reply directly to this section, but whose data, from the December 1987 AAP Monthly Sales Reports were incorporated into the text, and in some instances, to the first sales table in the indicated section in this volume.

SECTION A - TRADE AND RELIGIOUS BOOK PUBLISHERS AND DIVISIONS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM A (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

SALES DATA

Table A1 provides sales comparisons between 1987 and 1986 based on data furnished by 48 participating trade and religious publishers. Estimated industry totals, extrapolated from actual data gathered in the Survey and from the Monthly AAP Sales Report Program are also furnished.

Trade and religious book publishers reported 1987 net sales of $1244.6 million to the AAP Statistics Program. Based on the estimates shown in **Table S1**, the net sales reported represent some 45.0% of the total trade and religious book sales of the industry.

Table A2 provides sales data by type of book for 1987 and 1986 in both dollars and units.

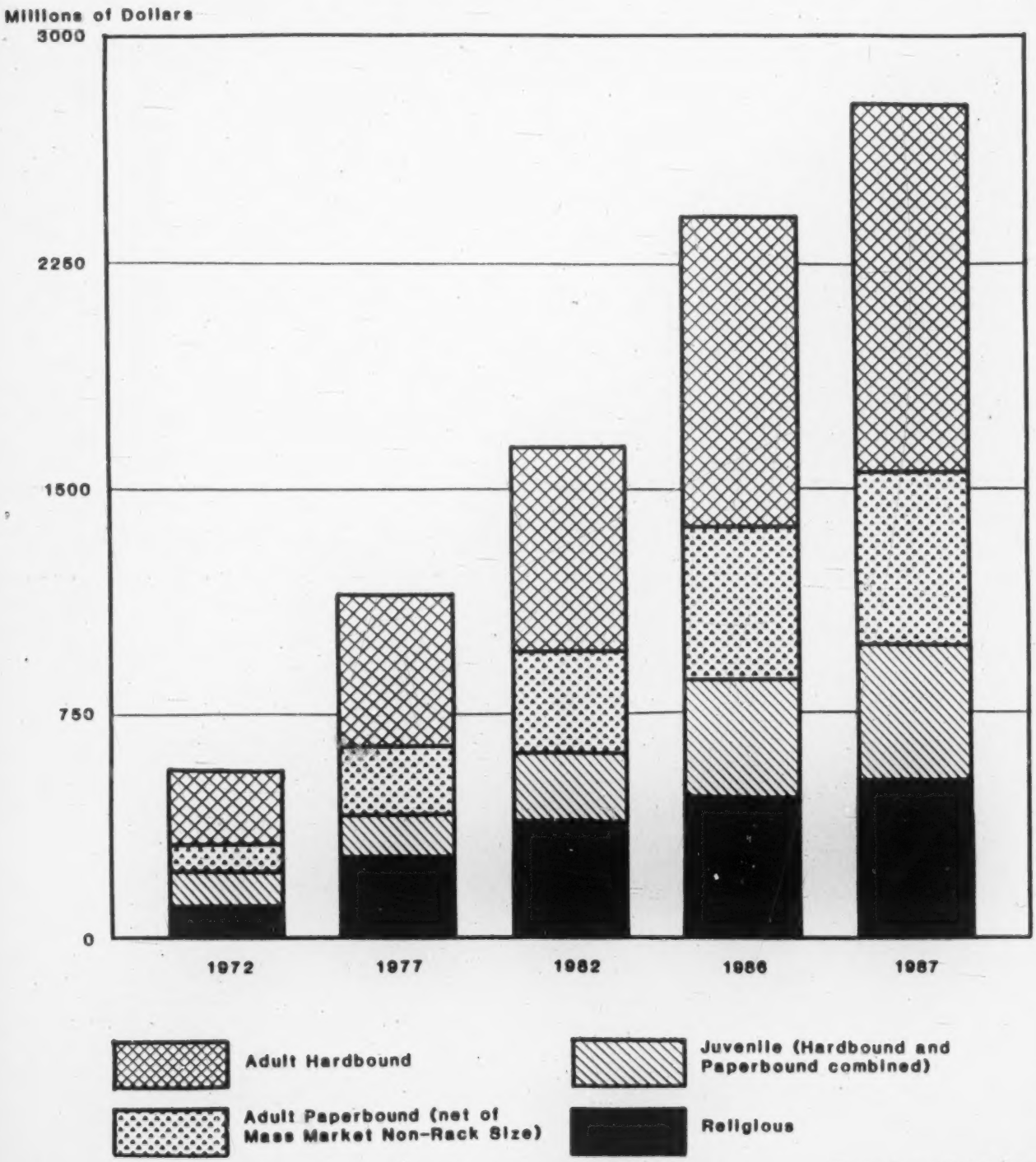
TABLE A1 - ACTUAL AND ESTIMATED TRADE AND RELIGIOUS BOOK SALES

MILLIONS OF DOLLARS -- AS REPORTED BY 48 PUBLISHERS
WITH ESTIMATES OF TOTAL INDUSTRY TRADE BOOK SALES

	1987		1986		PERCENT CHANGE	
	ACTUAL REPORTS	EST. TOTAL	ACTUAL REPORTS	EST. TOTAL	ACTUAL REPORTS	EST. TOTAL
GROSS SALES	1535.7	3379.7	1368.2	2964.2	12.2	14.0
RETURNS	291.1	611.9	271.9	566.1	7.1	8.1
NET SALES	1244.6	2767.8	1096.3	2398.1	13.5	15.4

	1987			1986		
	ACTUAL REPORTED		ESTIMATED	ACTUAL REPORTED		ESTIMATED
	AVERAGE	MID-RANGE	AVERAGE	AVERAGE	MID-RANGE	AVERAGE
PERCENT RETURNS TO GROSS	18.4	8.9 TO 20.5	18.1	19.4	6.3 TO 20.6	19.1

FIGURE A1 - ESTIMATED TRADE AND RELIGIOUS BOOKS NET SALES 1972, 1977, 1982, 1986-87



Data from Table S1

TABLE A2 - TRADE BOOK SALES BY TYPE OF BOOK

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 40 PUBLISHERS

	GROSS SALES									
	1987		1986		PERCENT CHANGE		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
ADULT HARDBOUND	655908	84675	553745	66677	18.4	27.0				
ADULT PAPERBOUND	262020	67198	237269	62552	10.4	7.4				
JUVENILE HARDBOUND	240698	89748	212885	61995	13.1	44.8				
JUVENILE PAPERBOUND	55798	47926	45304	39902	23.2	20.1				
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	29731	2899	26747	2832	11.2	2.4				
OTHER RELIGIOUS	38137	12964	33829	12424	12.7	4.3				
OTHER	60712	2422	65569	6739	-7.4	-64.1				
TOTAL	1343004	307833	1175347	253123	14.3	21.6				

	RETURNS									
	1987		1986		PERCENT CHANGE		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
ADULT HARDBOUND	164354	19458	144354	16418	13.9	18.5				
ADULT PAPERBOUND	44666	11235	45216	13029	-1.2	-13.8				
JUVENILE HARDBOUND	23292	7240	24292	8412	-4.1	-13.9				
JUVENILE PAPERBOUND	5955	4351	3866	2519	54.0	72.7				
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	961	141	1552	138	-38.1	2.2				
OTHER RELIGIOUS	3468	789	2743	673	26.4	17.2				
OTHER	4312	154	5917	208	-27.1	-26.0				
TOTAL	247008	43368	227940	41397	8.4	4.8				

Continued on page A-4

TABLE A2 - TRADE BOOK SALES BY TYPE OF BOOK

Continued from page A-3

	NET SALES									
	1987		1986		PERCENT CHANGE		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
ADULT HARDBOUND	491554	65217	409391	50259	20.1	29.8				
ADULT PAPERBOUND	217354	55963	192053	49523	13.2	13.0				
JUVENILE HARDBOUND	217406	82508	188593	53583	15.3	54.0				
JUVENILE PAPERBOUND	49843	43575	41438	37383	20.3	16.6				
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	28770	2758	25195	2694	14.2	2.4				
OTHER RELIGIOUS	34669	12175	31086	11751	11.5	3.6				
OTHER	56400	2268	59652	6531	-5.5	-65.3				
TOTAL	1095996	264465	947407	211726	15.7	24.9				

	1987 PERCENT RETURNS TO GROSS									
	DOLLARS			UNITS			YOUR DATA			
	AVERAGE	MID-RANGE		AVERAGE	MID-RANGE					
ADULT HARDBOUND	25.1	13.0 TO	28.3	23.0	11.3 TO	28.5				
ADULT PAPERBOUND	17.0	10.0 TO	22.4	16.7	10.7 TO	21.6				
JUVENILE HARDBOUND	9.7	6.2 TO	12.1	8.1	4.4 TO	13.2				
JUVENILE PAPERBOUND	10.7	8.2 TO	18.1	9.1	8.3 TO	16.1				
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	3.2	2.6 TO	4.1	4.9	3.3 TO	6.7				
OTHER RELIGIOUS	9.1	3.5 TO	14.4	6.1	3.8 TO	13.5				
OTHER	7.1	6.1 TO	25.4	6.4	4.0 TO	25.0				
TOTAL	18.4	7.7 TO	21.5	14.1	8.2 TO	19.0				

Continued on page A-5

TABLE A2 - TRADE BOOK SALES BY TYPE OF BOOK

Continued from page A-4

	1986 PERCENT RETURNS TO GROSS					
	DOLLARS		UNITS		YOUR DATA	
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE		
ADULT HARDBOUND	26.1	12.2 TO 34.1	24.6	8.9 TO 31.3		
ADULT PAPERBOUND	19.1	12.0 TO 22.2	20.8	10.9 TO 20.5		
JUVENILE HARDBOUND	11.4	8.9 TO 16.8	13.6	8.3 TO 18.5		
JUVENILE PAPERBOUND	8.5	5.9 TO 9.7	6.3	4.7 TO 10.5		
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	5.8	4.1 TO 6.2	4.9	4.5 TO 5.2		
OTHER RELIGIOUS	8.1	2.4 TO 13.9	5.4	1.5 TO 13.9		
OTHER	9.0	3.2 TO 31.2	3.1	3.4 TO 28.0		
TOTAL	19.4	7.0 TO 21.1	16.4	6.2 TO 18.9		

	DOLLARS PER UNIT NET SALES					
	1987		1986		YOUR DATA	
	$-AVG	$-RANGE-AVG	$-AVG	$-RANGE-AVG		
ADULT HARDBOUND	7.54	2.55 TO 31.81	8.15	2.52 TO 26.77		
ADULT PAPERBOUND	3.88	1.03 TO 17.36	3.88	1.00 TO 15.86		
JUVENILE HARDBOUND	2.63	0.14 TO 13.99	3.52	1.64 TO 15.02		
JUVENILE PAPERBOUND	1.14	0.48 TO 5.87	1.11	0.56 TO 5.93		
BIBLES, TESTAMENTS, HYMNALS & PRAYERBOOKS	10.43	1.64 TO 21.08	9.35	1.74 TO 17.78		
OTHER RELIGIOUS	2.85	1.16 TO 5.84	2.65	1.10 TO 5.39		
OTHER	24.87		9.13			
TOTAL	4.14	1.16 TO 28.36	4.47	1.10 TO 25.11		

Note that the ranges for dollars per unit net sales in Table A2 are ranges of averages reported by participating publishers.

TABLE A3 - DOMESTIC NET TRADE BOOK SALES BY TYPE OF CUSTOMER

THOUSANDS OF DOLLARS - AS REPORTED BY 35 PUBLISHERS

	ALL SALES		ADULT HARDBOUND		ADULT PAPERBOUND		YOUR DATA		
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL			
BOOKSTORES (TOTAL)	449658	47.0	204449	50.1	113095	61.5			
GENERAL	316725	41.6	170977	47.8	89136	56.8			
COLLEGE	16457	2.2	8000	2.2	7210	4.6			
RELIGIOUS	24430	3.2	91	0.0	186	0.1			
PAPERBACK	0	0.0	0	0.0	0	0.0			
UNSPECIFIED	92046		25381		16563				
OTHER RETAIL OUTLETS	7918	0.8	1346	0.3	1649	0.9			
WHOLESALERS	316998	33.1	142164	34.8	43910	23.9			
PREBINDERS	347	0.0	0	0.0	0	0.0			
LIBRARIES & INSTITUTIONS (TOTAL)	73489	7.7	11392	2.8	3430	1.9			
PUBLIC LIBRARIES	12920	2.1	1613	0.7	205	0.1			
COLLEGES & UNIVS.	11519	1.9	1467	0.7	440	0.3			
SCHOOLS	8712	1.4	1417	0.7	447	0.3			
OTHER	13826	2.3	1523	0.7	1870	1.2			
UNSPECIFIED	26512		5372		517				
MASS MARKET OUTLETS	21558	2.3	621	0.2	2243	1.2			
REMAINDER SALES	10934	1.1	6390	1.6	2521	1.4			
SPECIAL SALES	39435	4.1	14361	3.5	13330	7.3			
DIRECT TO CONSUMER	36877	3.9	27237	6.7	3522	1.9			
TOTAL	957214	100.0	407961	100.0	183749	100.0			

Continued on page A-7

TABLE A3 - DOMESTIC NET TRADE BOOK SALES BY TYPE OF CUSTOMER

Continued from page A-6

	JUVENILE HARDBOUND		JUVENILE PAPERBOUND		RELIGIOUS		YOUR DATA			
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL				
BOOKSTORES (TOTAL)	57826	32.1	14841	42.8	31134	53.9				
GENERAL	46890	31.8	8745	40.9	699	1.9				
COLLEGE	12	0.0	0	0.0	907	2.4				
RELIGIOUS	394	0.3	394	1.8	18460	49.6				
PAPERBACK	0	0.0	0	0.0	0	0.0				
UNSPECIFIED	10530		5702		11068					
OTHER RETAIL OUTLETS	141	0.1	50	0.1	4186	7.2				
WHOLESALERS	74367	41.3	14590	42.0	12974	22.5				
PREBINDERS	328	0.2	19	0.1	0	0.0				
LIBRARIES & INSTITUTIONS (TOTAL)	25112	13.9	508	1.5	1258	2.2				
PUBLIC LIBRARIES	2418	6.4	15	0.1	8	0.0				
COLLEGES & UNIVS.	843	2.2	99	0.6	25	0.0				
SCHOOLS	1876	5.0	74	0.5	30	0.1				
OTHER	107	0.3	36	0.2	1174	2.1				
UNSPECIFIED	19868		284		22					
MASS MARKET OUTLETS	15500	8.6	2580	7.4	614	1.1				
REMAINDER SALES	1195	0.7	440	1.3	164	0.3				
SPECIAL SALES	5434	3.0	1223	3.5	3582	6.2				
DIRECT TO CONSUMER	243	0.1	454	1.3	3851	6.7				
TOTAL	180144	100.0	34705	100.0	57761	100.0				

In **Table A3**, as in other succeeding tables the data appearing in the column headed "All Sales" does not represent a total of the items shown horizontally in the remaining columns. Some reporting publishers have provided breakdowns of sales by product, summarized in the detail columns, others have not. However, all sales reported, whether detailed in other columns or not, are included in the "All Sales" column.

The "percentage of total" shown represents the portion of sales in a product category marketed to the customer type listed in the stub.

TABLE A4 - NET TRADE BOOK SALES BY GEOGRAPHICAL LOCATION

THOUSANDS OF DOLLARS - AS REPORTED BY 38 PUBLISHERS

	ALL SALES		ADULT HARDBOUND		ADULT PAPERBOUND		YOUR DATA			
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL				
UNITED STATES	1036347	94.7	470966	93.6	189842	96.5				
CANADA	36468	3.3	21924	4.4	2940	1.5				
FOREIGN (TOTAL)	21818	2.0	10039	2.0	3844	2.0				
LATIN AMERICA	1053	0.2	886	0.3	14	0.0				
AUSTRALIA & N.ZEALAND	730	0.2	218	0.1	31	0.1				
ASIA	2053	0.5	1072	0.4	72	0.2				
UNITED KINGDOM	1147	0.3	531	0.2	158	0.5				
CONTINENTAL EUROPE	3399	0.8	2566	1.0	289	1.0				
AFRICA, NEAR & MIDDLE EAST	342	0.1	105	0.0	0	0.0				
UNSPECIFIED	13094		4661		3280					
TOTAL	1094634	100.0	502929	100.0	196626	100.0				

	JUVENILE HARDBOUND		JUVENILE PAPERBOUND		RELIGIOUS		YOUR DATA			
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL				
UNITED STATES	200321	96.4	45053	96.3	46156	94.7				
CANADA	5213	2.5	974	2.1	1304	2.7				
FOREIGN (TOTAL)	2254	1.1	778	1.7	1278	2.6				
LATIN AMERICA					49	0.2				
AUSTRALIA & N.ZEALAND					231	0.9				
ASIA					70	0.3				
UNITED KINGDOM					174	0.7				
CONTINENTAL EUROPE					61	0.2				
AFRICA, NEAR & MIDDLE EAST					71	0.3				
UNSPECIFIED					622					
TOTAL	207788	100.0	46805	100.0	48738	100.0				

Note that the detail data of "Foreign-Juvenile" have been suppressed due to lack of sufficient reports.

TABLE A5 - OPERATING DATA OF TRADE BOOK PUBLISHERS-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS

	ALL PUBLISHERS			YOUR DATA			
	$	PERCENT OF NET SALES					
		%	MID-RANGE				
GROSS SALES	1048812	122.0	113.8 TO 128.3				
RETURNS AND ALLOWANCES	189053	22.0	13.8 TO 28.3				
NET SALES	859759	100.0	100.0 TO 100.0				
COST OF SALES							
MANUFACTURING	318279	37.5	32.4 TO 43.0				
ROYALTIES	133498	15.7	7.9 TO 21.2				
UNSPECIFIED	6083						
TOTAL COST OF SALES	457860	53.3	49.2 TO 60.9				
GROSS MARGIN ON SALES	401899	46.7	39.1 TO 50.8				
OTHER INCOME	65425	7.6	1.8 TO 9.0				
OPERATING EXPENSE							
EDITORIAL	54410	6.3	3.3 TO 7.9				
PRODUCTION	17866	2.1	1.1 TO 2.4				
MARKETING	126720	14.7	11.0 TO 17.2				
FULFILLMENT	65740	7.6	5.9 TO 10.0				
GENERAL & ADMIN.	91290	10.6	8.2 TO 12.9				
TOTAL OPERATING EXPENSE	356027	41.4	32.9 TO 48.0				
INCOME FROM OPERATIONS*	111297	12.9	6.6 TO 19.0				

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

Continued on page A-10

OPERATING DATA

Operating data of Trade and Religious Publishers are reported in two sections. The first section, **Tables A5 through A14**, provides some breakdown by type of book; the second section, **Tables A15 through A24**, analyzes the data by size of publisher.

Tables A5 and A15 are summary tables, offering composite income statements of the reporting publishers. The remaining tables detail specific expense areas.

Publishers, while asked to provide sales data on a calendar year basis, were given the option to furnish operating information on a fiscal year basis. 6 publishers exercised this fiscal year option. The months terminating their reporting year are listed below, together with the number of publishers for each period:

March - 2
June - 1
September - 2
October - 1

In **Tables A5 through A14**, the column headed "All Publishers" does not represent a total of the items shown horizontally in the remaining columns. Some reporting publishers have provided breakdowns of operating data by product line, summarized in the detail columns, while others have not. However, all data reported, whether detailed in other columns or not, are included in the "All Publishers" column.

TABLE A5 - OPERATING DATA OF TRADE BOOK PUBLISHERS-BY TYPE OF BOOK

Continued from page A-9

	ADULT HARDBOUND			ADULT PAPERBOUND		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	432873	134.9	118.5 TO 141.0	180296	122.4	117.8 TO 128.9
RETURNS AND ALLOWANCES	111936	34.9	18.5 TO 41.0	32958	22.4	17.8 TO 28.9
NET SALES	320937	100.0	100.0 TO 100.0	147338	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	116504	36.3	30.2 TO 42.5	53261	36.1	32.7 TO 37.9
ROYALTIES	74641	23.3	11.9 TO 29.1	21242	14.4	10.9 TO 16.3
UNSPECIFIED	0			0		
TOTAL COST OF SALES	191146	59.6	46.0 TO 64.2	74503	50.6	43.0 TO 52.5
GROSS MARGIN ON SALES	129791	40.4	35.8 TO 54.0	72835	49.4	47.5 TO 57.0
OTHER INCOME	39767	12.4	3.9 TO 17.2	7602	5.2	0.3 TO 7.5
OPERATING EXPENSE						
EDITORIAL	20175	6.3	3.3 TO 8.4	7725	5.2	2.6 TO 7.4
PRODUCTION	7196	2.2	1.3 TO 2.9	3717	2.5	1.3 TO 3.5
MARKETING	52324	16.3	12.2 TO 19.0	20870	14.2	10.0 TO 17.6
FULFILLMENT	24910	7.8	5.6 TO 8.7	12091	8.2	7.4 TO 11.4
GENERAL & ADMIN.	30046	9.4	7.7 TO 11.3	14963	10.2	9.0 TO 11.9
TOTAL OPERATING EXPENSE	134652	42.0	31.8 TO 48.4	59366	40.3	33.3 TO 48.5
INCOME FROM OPERATIONS*	34906	10.9	5.5 TO 24.3	21071	14.3	8.7 TO 24.2

	JUVENILE			RELIGIOUS		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	241908	109.0	107.0 TO 114.8	54872	109.5	101.8 TO 115.4
RETURNS AND ALLOWANCES	20039	9.0	7.0 TO 14.8	4768	9.5	3.8 TO 16.2
NET SALES	221867	100.0	100.0 TO 100.0	50104	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	90514	40.8	37.1 TO 45.2	18239	42.6	32.6 TO 70.4
ROYALTIES	23406	10.5	8.0 TO 17.1	5206	12.1	5.2 TO 30.9
UNSPECIFIED	0			3969		
TOTAL COST OF SALES	113920	51.3	49.6 TO 59.5	27414	54.7	43.6 TO 91.4
GROSS MARGIN ON SALES	107947	48.7	40.5 TO 50.4	22690	45.3	8.6 TO 56.4
OTHER INCOME	13688	6.2	2.4 TO 8.1	706	1.4	-0.2 TO 1.8
OPERATING EXPENSE						
EDITORIAL	10449	4.7	3.1 TO 7.5	371	0.7	
PRODUCTION	4305	1.9	0.8 TO 3.0	303	0.6	0.7 TO 2.3
MARKETING	34394	15.5	11.3 TO 16.8	6421	12.8	6.7 TO 15.0
FULFILLMENT	19261	8.7	8.0 TO 10.2	2943	5.9	3.9 TO 8.0
GENERAL & ADMIN.	23970	10.8	7.8 TO 13.3	5031	10.0	3.9 TO 12.0
TOTAL OPERATING EXPENSE	92379	41.6	38.6 TO 45.6	15069	30.1	16.0 TO 36.4
INCOME FROM OPERATIONS*	29256	13.2	1.4 TO 15.9	8327	16.6	-11.3 TO 22.6

* Please see corresponding note on page A-9.

TABLE A6 - MANUFACTURING EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 15 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $762,051,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
BEGINNING INVENTORY	145332	19.1	42067	15.2	22991	16.9	48135	25.4	11637	26.2
PURCHASES (TOTAL)	305499	40.1	103454	37.4	52555	38.6	83310	43.9	18534	41.7
PLANT COSTS	33649	4.5	15296	5.6	6035	4.8	7719	4.1	896	2.0
PAPER, PRINTING & BINDING	263435	35.5	87056	31.8	42285	33.8	75590	39.9	17638	39.7
UNSPECIFIED	8415		1102		4234		0		0	
COST OF FREE BOOKS	4985	0.7	2521	0.9	899	0.7	1207	0.6	93	0.2
WRITE DOWNS	28889	3.8	12070	4.4	4828	3.5	8623	4.5	822	1.9
ENDING INVENTORY AFTER WRITE DOWNS	161547	21.2	45980	16.6	26469	19.5	52286	27.6	11839	26.7
TOTAL MANUFACTURING EXP.	284299	37.3	97020	35.1	48177	35.4	77951	41.1	18239	41.1

The composite manufacturing cost figure in **Table A6** includes data that reflect varying treatments of plant costs. Since a levelling effect takes place when the data are consolidated, the possibility of distortion is minimized. Nevertheless, a publisher who compares his own data with those in the survey should bear in mind that the inventory and purchase figures shown represent a mix that includes plant costs being written off, plant costs being amortized, and plant costs that have been inventoried.

To place the survey data in perspective, the practices of some of the participating publishers are shown below:

Written off as incurred - 2
Written off on publication - 6
Written off during year of publication - 2
Written into inventory - 1

Amortized separately parallel to sales of first printing - 2
Amortized over 1 year - 1
Amortized over 2 years - 1
Amortized over 5 years - 1

Plant costs expensed as incurred, those over $100,000 are capitalized - 1

Various treatments (as above) depending on dollar amount and division - 1

TABLE A7 - ROYALTY EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 15 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $761,087,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ROYALTIES PAID	105275	13.8	57514	20.3	16466	12.4	18217	9.6	4860	12.1
FEES IN LIEU OF ROYALTIES	278	0.0	33	0.0	14	0.0	11	0.0	0	0.0
ADVANCES WRITTEN OFF	16919	2.2	12334	4.3	2925	2.2	897	0.5	189	0.5
TOTAL ROYALTIES	122473	16.1	69882	24.6	19405	14.7	19125	10.1	5049	12.6

In **Table A7** in addition to providing operating data on royalties, publishers were asked to report the level of royalty advances carried on their balance sheets at reporting year end. A total of 14 publishers with combined net sales of $742.4 million responded, reporting a total aggregate advance of $122.8 million (16.5% of net sales). 10 publishers with **adult hardbound** net sales of $269.2 million reported advances of $80.2 million (29.8% of net sales); 8 publishers with **adult paperbound** net sales of $132.4 million reported advances of $23.9 million (18.1% of net sales); and 8 publishers with **juvenile** net sales of $188.6 million reported advances of $11.2 million (5.9% of net sales), all at reporting year end. Replies by religious book publishers were insufficient to report here.

TABLE A8 - OTHER PUBLISHING INCOME-BY TYPE OF BOOK

THOUSANDS OF DOLLARS

	5 PUBLISHERS WITH NET SALES OF $345,506,000						4 PUBLISHERS WITH NET SALES -- $147,833,000	
	TOTAL INCOME		AUTHORS' SHARE		PUBL. SHARE		PUBL. SH. ONLY	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SUBSIDIARY RIGHTS (TOTL)	56087	16.2	27930	8.1	28159	8.1	34041	23.0
REPRINT - HARDBOUND	586	0.2	208	0.1	377	0.1	648	0.4
REPRINT - PAPERBOUND	19582	5.7	11316	3.3	8266	2.4	13122	8.9
BOOK CLUB	14460	4.2	7383	2.1	7077	2.0	8835	6.0
PERMISSIONS	765	0.2	410	0.1	355	0.1	2029	1.4
FOREIGN & TRANSLATION	4611	1.3	3258	0.9	1352	0.4	3923	2.7
SERIAL, DIGEST & SYNDICATION	517	0.1	306	0.1	211	0.1	418	0.3
OTHER	15567	4.5	5049	1.5	10520	3.0	5065	3.4
GENERAL	11220	3.2	262	0.1	10958	3.2	1676	1.1
TOTAL OTHER INCOME	67308	19.5	28190	8.2	39118	11.3	35716	24.2

12 PUBLISHERS WITH NET SALES OF $676,056,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SUBSIDIARY RIGHTS (TOTL)	72071	10.7	47189	17.5	8405	7.8	13859	7.5	950	2.4
REPRINT - HARDBOUND	5562	0.8	4739	1.8	157	0.1	533	0.3	29	0.1
REPRINT - PAPERBOUND	20666	3.2	15228	5.7	3123	2.9	2315	1.3	0	0.0
BOOK CLUB	18098	2.8	10990	4.1	2065	1.9	4875	2.6	67	0.2
PERMISSIONS	2727	0.4	801	0.3	124	0.1	1077	0.6	732	1.8
FOREIGN & TRANSLATION	6090	0.9	3865	1.4	954	0.9	1248	0.7	23	0.1
SERIAL, DIGEST & SYNDICATION	646	0.1	477	0.2	134	0.1	28	0.0	6	0.0
OTHER	16274	2.5	10751	4.0	1848	1.7	3582	1.9	93	0.2
UNSPECIFIED	2008		338		0		101		0	
GENERAL	15172	2.2	9882	3.7	2477	2.3	2762	1.5	34	0.1
TOTAL OTHER PUBL. INCOME	87243	12.9	57071	21.2	10882	10.1	16621	9.0	984	2.5
AUTHORS' SHARE	31298	4.6	21063	7.8	4187	3.9	5950	3.2	282	0.7
PUBLISHER'S SHARE	55945	8.3	36008	13.4	6695	6.2	10671	5.8	702	1.7

In **Table A8,** publishers are asked to report **all** subsidiary income and to show authors' shares and publishers' shares separately. As some respondents are unable to comply with some details of this request, data are reported here in two ways: in the upper section data are summarized **by type of income** for 5 publishers who are able to separate authors' shares from their own, as well as (in the right-hand panel), for 4 other publishers who are able to report only their own shares. In the lower section data are summarized **by type of book** for 12 publishers reporting both authors' shares and their own.

TABLE A9 - EDITORIAL EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 17 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $780,822,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
EDITORIAL EXPENSE										
SALARIES	29713	3.8	10697	4.2	4310	4.2	5144	2.9	269	0.6
BENEFITS	5449	0.7	1961	0.8	835	0.8	856	0.5	57	0.1
OUTSIDE EDITORIAL EXP	4459	0.6	1217	0.5	482	0.5	356	0.2	43	0.1
TRAVEL & ENTERTAINMNT	2246	0.3	959	0.4	402	0.4	357	0.2	39	0.1
OTHER	8891	1.1	3519	1.4	1611	1.6	1588	0.9	39	0.1
TOTAL EDITORIAL EXPENSE	50758	6.5	18353	7.2	7639	7.4	8301	4.7	447	1.0

TABLE A10 - PRODUCTION EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 15 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $762,051,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PRODUCTION EXPENSE										
SALARIES	7956	1.0	3229	1.2	1505	1.1	1585	0.8	183	0.4
BENEFITS	1368	0.2	602	0.2	299	0.2	235	0.1	35	0.1
OUTSIDE PRODUCT'N EXP	486	0.1	117	0.0	104	0.1	19	0.0	46	0.1
OTHER	2110	0.3	1106	0.4	421	0.3	362	0.2	29	0.1
TOTAL PRODUCTION EXPENSE	11919	1.6	5055	1.8	2329	1.7	2202	1.2	292	0.7

TABLE A11 - MARKETING EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 16 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $761,637,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SELLING EXPENSE										
SALESMEN'S SALARIES & COMMISSIONS	15013	2.0	5010	1.7	1766	1.4	5866	3.1	721	1.6
SALESMEN'S BENEFITS	1682	0.2	864	0.3	298	0.2	396	0.2	101	0.2
SALESMAN'S TRAVEL & ENTERTAINMENT	4201	0.6	1658	0.6	682	0.5	1193	0.6	274	0.6
DEPARTMENTAL SALARIES	7722	1.0	2471	0.9	1278	1.0	1930	1.0	526	1.2
DEPARTMENTAL BENEFITS	1325	0.2	453	0.2	241	0.2	316	0.2	109	0.2
DEPARTMENTAL TRAVEL & ENTERTAINMENT	1320	0.2	433	0.2	274	0.2	335	0.2	156	0.4
OTHER	8063	1.1	3218	1.1	1182	0.9	2565	1.4	747	1.7
TOTAL SELLING EXPENSE	39325	5.2	14107	4.9	5720	4.6	12601	6.6	2635	5.9

Continued on page A-14

TABLE A11 - MARKETING EXPENSE-BY TYPE OF BOOK

Continued from page A-13

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PROMOTION										
DEPARTMENTAL SALARIES	6852	0.9	2466	0.9	1060	0.8	1411	0.7	400	0.9
BENEFITS	1284	0.2	470	0.2	229	0.2	263	0.1	85	0.2
SPACE ADVERTISING	24170	3.2	13755	4.8	3582	2.9	4189	2.2	897	2.0
CATALOGS AND TRADE ADVERTISING	16648	2.2	5632	2.0	2764	2.2	5976	3.2	428	1.0
DIRECT MAIL	3380	0.4	2415	0.8	194	0.2	135	0.1	501	1.1
PUBLICITY	4157	0.5	2054	0.7	893	0.7	473	0.2	3	0.0
FREE COPIES (INCLUDING POSTAGE)	6994	0.9	2942	1.1	1395	1.1	1882	1.0	158	0.4
EXHIBITS	3341	0.4	1092	0.4	682	0.5	1132	0.6	23	0.1
OTHER	6656	0.9	2560	0.9	1550	1.2	1480	0.8	382	0.9
TOTAL PROMOTION EXPENSE	73482	9.6	33386	11.6	12349	9.9	16940	8.9	2876	6.5
TOTAL MARKETING EXPENSE	112808	14.8	47494	16.5	18070	14.5	29542	15.6	5511	12.4

TABLE A12 - FULFILLMENT EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS

9 PUBLISHERS WITH NET SALES OF $574,059,000 -- INTERNAL FACILITIES	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING										
SALARIES	5907	1.0	2246	0.9	1384	1.1	1362	0.9	215	1.0
BENEFITS	1249	0.2	509	0.2	279	0.2	301	0.2	42	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	3166	0.6	1734	0.7	654	0.5	742	0.5	36	0.2
EQUIPMENT & SUPPLIES	513	0.1	278	0.1	132	0.1	92	0.1	6	0.0
OTHER	1066	0.2	339	0.1	230	0.2	175	0.1	15	0.1
TOTAL ORDER PROCESSING	11902	2.1	5106	2.0	2679	2.2	2672	1.8	314	1.4
SHIPPING & WAREHOUSING										
SALARIES	16917	2.9	7233	2.8	3901	3.2	4832	3.2	594	2.7
BENEFITS	3607	0.6	1600	0.6	826	0.7	993	0.7	115	0.5
OCCUPANCY	5960	1.0	2646	1.0	1212	1.0	1636	1.1	262	1.2
EQUIPMENT & SUPPLIES	4478	0.8	1874	0.7	907	0.8	1319	0.9	142	0.7
TRANSPORTATION CHRGES	3474	0.6	1650	0.6	734	0.6	1386	0.9	120	0.6
OTHER	687	0.1	230	0.1	265	0.2	62	0.0	24	0.1
TOTAL SHIPPING AND WAREHOUSING	35123	6.1	15233	5.9	7845	6.5	10228	6.7	1257	5.8
TOTAL FULFILLMENT EXP. OF PUBLISHERS UTILIZING INTERNAL FACILITIES	47025	8.2	20339	7.9	10524	8.7	12900	8.5	1571	7.2

TABLE A13 - GENERAL AND ADMINISTRATIVE EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 17 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $780,822,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
MANAGEMENT SALARIES	9310	1.2	3732	1.3	1258	0.9	2233	1.2	529	1.2
MANAGEMENT BENEFITS	1991	0.3	699	0.2	267	0.2	485	0.3	137	0.3
ACCOUNTING SALARIES	7232	0.9	2309	0.8	1036	0.8	1374	0.7	606	1.4
ACCOUNTING BENEFITS	1496	0.2	510	0.2	206	0.2	319	0.2	32	0.1
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	9457	1.2	3793	1.3	1830	1.3	2547	1.3	336	0.8
GENERAL OFFICE BENEFITS	4132	0.5	1409	0.5	535	0.4	1206	0.6	79	0.2
GENERAL TRAVEL AND ENTERTAINMENT	1487	0.2	533	0.2	213	0.2	460	0.2	97	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	6239	0.8	2052	0.7	1090	0.8	1866	1.0	516	1.2
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	13808	1.8	5022	1.7	2528	1.9	3024	1.6	514	1.2
OTHER TAXES (EXCEPT INC. & PAYROLL TAXES)	956	0.1	349	0.1	156	0.1	171	0.1	0	0.0
PERSONAL PROP. TAXES	423	0.1	118	0.0	45	0.0	75	0.0	0	0.0
ALL OTHER	458	0.1	219	0.1	69	0.1	96	0.1	0	0.0
UNSPECIFIED	76		12		42		0		0	
OTHER	26074	3.3	6038	2.1	4479	3.3	6413	3.4	1381	4.2
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	82183	10.5	26447	9.1	13599	10.0	20097	10.6	4725	10.6

TABLE A14 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE-BY TYPE OF BOOK

THOUSANDS OF DOLLARS - AS REPORTED BY 15 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $701,837,000

	ALL PUBLISHERS		ADULT HARDBOUND		ADULT PAPERBOUND		JUVENILE		RELIGIOUS	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PENSIONS	3246	0.5	970	0.6	519	0.6	732	0.5	112	0.3
DEFERRED PROFIT SHARING	1213	0.2	678	0.4	227	0.2	270	0.2	37	0.1
HOSP. & GROUP INSURANCE	8337	1.2	2198	1.3	1030	1.1	1454	1.0	228	0.6
PAYROLL TAXES	7408	1.1	2023	1.2	1065	1.2	1426	1.0	257	0.6
OTHER	1049	0.1	381	0.2	230	0.2	224	0.2	67	0.2
TOTAL EMPLOYEE BENEFITS	21254	3.0	6250	3.6	3072	3.3	4106	2.8	701	1.7

TABLE A15 - OPERATING DATA OF TRADE BOOK PUBLISHERS-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS

	ALL PUBLISHERS			7 PUBLISHERS WITH NET SALES UNDER $20 MILLION		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	1048812	122.0	113.8 TO 128.3	107535	119.1	113.8 TO 131.7
RETURNS AND ALLOWANCES	189053	22.0	13.8 TO 28.3	17277	19.1	13.8 TO 31.7
NET SALES	859759	100.0	100.0 TO 100.0	90258	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	318279	37.5	32.4 TO 43.0	29981	38.3	31.6 TO 46.7
ROYALTIES	133493	15.7	7.9 TO 21.2	9643	12.3	4.0 TO 21.9
UNSPECIFIED	6083			6083		
TOTAL COST OF SALES	457860	53.3	49.2 TO 60.9	45708	50.6	40.6 TO 64.9
GROSS MARGIN ON SALES	401899	46.7	39.1 TO 50.8	44550	49.4	35.1 TO 59.4
OTHER INCOME	65425	7.6	1.8 TO 9.0	5319	5.9	0.8 TO 11.3
OPERATING EXPENSE						
EDITORIAL	54410	6.3	3.3 TO 7.9	3384	3.7	2.6 TO 6.9
PRODUCTION	17866	2.1	1.1 TO 2.4	2640	2.9	1.6 TO 4.1
MARKETING	126720	14.7	11.9 TO 17.2	12221	13.5	10.3 TO 17.4
FULFILLMENT	65740	7.6	5.9 TO 10.0	6901	7.6	2.8 TO 11.3
GENERAL & ADMIN.	91290	10.6	8.2 TO 12.9	9578	10.6	6.8 TO 16.1
TOTAL OPERATING EXPENSE	356027	41.4	32.9 TO 48.0	34725	38.5	26.8 TO 48.6
INCOME FROM OPERATIONS*	111297	12.9	6.6 TO 19.0	15144	16.8	-1.2 TO 33.3

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

Continued on page A-17

TABLE A15 - OPERATING DATA OF TRADE BOOK PUBLISHERS-BY SIZE OF PUBLISHER

Continued from page A-16

	7 PUBLISHERS WITH NET SALES $20-$50 MILLION			5 PUBLISHERS WITH NET SALES ABOVE $50 MILLION		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	294057	115.0	105.7 TO 125.7	647220	126.0	121.2 TO 133.8
RETURNS AND ALLOWANCES	38369	15.0	5.7 TO 25.7	133407	26.0	21.2 TO 33.8
NET SALES	255688	100.0	100.0 TO 100.0	513813	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	100777	39.4	33.3 TO 49.3	187521	36.5	31.7 TO 39.4
ROYALTIES	30335	11.9	5.8 TO 20.5	93520	18.2	14.4 TO 24.3
UNSPECIFIED	0			0		
TOTAL COST OF SALES	131111	51.3	48.9 TO 62.4	281041	54.7	52.3 TO 57.1
GROSS MARGIN ON SALES	124577	48.7	37.6 TO 51.1	232772	45.3	42.9 TO 47.7
OTHER INCOME	10272	4.0	2.0 TO 7.9	49834	9.7	5.6 TO 12.7
OPERATING EXPENSE						
EDITORIAL	22689	8.9	4.2 TO 13.7	28337	5.5	2.8 TO 7.6
PRODUCTION	3750	1.5	1.0 TO 2.1	11476	2.2	1.1 TO 4.2
MARKETING	33917	13.3	9.6 TO 17.2	80582	15.7	12.8 TO 17.0
FULFILLMENT	17522	6.9	4.2 TO 8.0	41317	8.0	6.8 TO 8.7
GENERAL & ADMIN.	26815	10.5	7.6 TO 16.4	54897	10.7	9.7 TO 12.4
TOTAL OPERATING EXPENSE	104693	40.9	32.9 TO 43.2	216609	42.2	35.4 TO 47.9
INCOME FROM OPERATIONS*	30156	11.8	7.8 TO 19.6	65997	12.8	8.9 TO 18.2

* Please see corresponding note on page A-16.

TABLE A16 - MANUFACTURING EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $762,051,000

	ALL PUBLISHERS		4 PUBLISHERS NET SALES UNDER $20 MILLION		7 PUBLISHERS NET SALES $20-$50 MILLION		4 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
BEGINNING INVENTORY	145332	19.1	11908	18.1	55836	21.8	77588	17.6
PURCHASES (TOTAL)	305499	40.1	26677	40.6	111655	43.7	167168	37.9
PLANT COSTS	33649	4.5	2541	5.6	10694	4.2	20415	4.6
PAPER, PRINTING & BINDING	263435	35.5	15721	34.9	100961	39.5	146753	33.3
UNSPECIFIED	8415		8415		0		0	
COST OF FREE BOOKS	4985	0.7	619	0.9	1219	0.5	3147	0.7
WRITE DOWNS	28889	3.8	3756	5.7	6446	2.5	18687	4.2
ENDING INVENTORY AFTER WRITE DOWNS	161547	21.2	15350	23.3	63559	24.9	82639	18.8
TOTAL MANUFACTURING EXP.	284299	37.3	22616	34.4	102713	40.2	158970	36.1

TABLE A17 - ROYALTY EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $761,087,000

	ALL PUBLISHERS		4 PUBLISHERS NET SALES UNDER $20 MILLION		7 PUBLISHERS NET SALES $20-$50 MILLION		4 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ROYALTIES PAID	105275	13.8	7455	11.5	25570	10.0	72250	16.4
FEES IN LIEU OF ROYALTIES	278	0.0	0	0.0	278	0.1	0	0.0
ADVANCES WRITTEN OFF	16919	2.2	892	1.4	4485	1.8	11543	2.6
TOTAL ROYALTIES	122473	16.1	8347	12.9	30334	11.9	83792	19.0

See also the discussion following **Table A-7.**

TABLE A18 - OTHER PUBLISHING INCOME-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 12 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $676,056,000

	ALL PUBLISHERS		3 PUBLISHERS NET SALES UNDER $20 MILLION		5 PUBLISHERS NET SALES $20-$50 MILLION		4 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SUBSIDIARY RIGHTS (TOTL)	72071	10.7	3875	7.7	12524	6.8	55671	12.6
REPRINT - HARDBOUND	5562	0.8	440	1.0	2788	1.7	2334	0.5
REPRINT - PAPERBOUND	20666	3.2	1389	3.2	3861	2.4	15416	3.5
BOOK CLUB	18098	2.8	867	1.9	2520	1.6	14711	3.3
PERMISSIONS	2727	0.4	60	0.1	1072	0.7	1595	0.4
FOREIGN & TRANSLATION	6090	0.9	576	1.2	566	0.3	4948	1.1
SERIAL, DIGEST & SYNDICATION	646	0.1	98	0.2	42	0.0	506	0.1
OTHER	16274	2.5	5	0.0	107	0.1	16162	3.7
UNSPECIFIED	2008		440		1568		0	
GENERAL	15172	2.2	1223	2.4	1820	1.0	12128	2.8
TOTAL OTHER PUBL. INCOME	87243	12.9	5098	10.2	14345	7.7	67800	15.4
AUTHORS' SHARE	31298	4.6	1592	3.2	6485	3.5	23220	5.3
PUBLISHER'S SHARE	55945	8.3	3506	7.0	7859	4.2	44580	10.1

TABLE A19 - EDITORIAL EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 17 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $780,822,000

	ALL PUBLISHERS		6 PUBLISHERS NET SALES UNDER $20 MILLION		7 PUBLISHERS NET SALES $20-$50 MILLION		4 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
EDITORIAL EXPENSE								
SALARIES	29713	3.8	2801	3.3	13910	5.4	13002	3.6
BENEFITS	5449	0.7	423	0.5	2482	1.0	2544	0.7
OUTSIDE EDITORIAL EXP	4459	0.6	129	0.2	2860	1.1	1471	0.4
TRAVEL & ENTERTAINMNT	2246	0.3	247	0.3	851	0.3	1149	0.3
OTHER	8891	1.1	938	1.1	2664	1.0	5289	1.5
TOTAL EDITORIAL EXPENSE	50758	6.5	4537	5.4	22767	8.9	23454	6.5

TABLE A20 - PRODUCTION EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $762,051,000

	ALL PUBLISHERS		4 PUBLISHERS NET SALES UNDER $20 MILLION		7 PUBLISHERS NET SALES $20-$50 MILLION		4 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PRODUCTION EXPENSE								
SALARIES	7956	1.0	928	1.4	2580	1.0	4448	1.0
BENEFITS	1368	0.2	170	0.3	415	0.2	784	0.2
OUTSIDE PRODUCT'N EXP	486	0.1	1	0.0	232	0.1	253	0.1
OTHER	2110	0.3	257	0.4	641	0.3	1213	0.3
TOTAL PRODUCTION EXPENSE	11919	1.6	1355	2.1	3867	1.5	6697	1.5

TABLE A21 - MARKETING EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 16 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $761,637,000

	ALL PUBLISHERS		5 PUBLISHERS NET SALES UNDER $20 MILLION		7 PUBLISHERS NET SALES $20-$50 MILLION		4 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SALESMEN'S SALARIES & COMMISSIONS	15013	2.0	1588	2.4	6889	2.7	6535	1.5
SALESMEN'S BENEFITS	1682	0.2	271	0.4	330	0.1	1081	0.2
SALESMEN'S TRAVEL & ENTERTAINMENT	4201	0.6	758	1.2	1184	0.5	2258	0.5
DEPARTMENTAL SALARIES	7722	1.0	416	0.6	2983	1.2	4323	1.0
DEPARTMENTAL BENEFITS	1325	0.2	78	0.1	448	0.2	799	0.2
DEPARTMENTAL TRAVEL & ENTERTAINMENT	1320	0.2	184	0.3	210	0.1	926	0.2
OTHER	8063	1.1	1069	1.6	2619	1.0	4374	1.0
TOTAL SELLING EXPENSE	39325	5.2	4365	6.7	14664	5.7	20296	4.6
PROMOTION								
DEPARTMENTAL SALARIES	6852	0.9	781	1.2	2469	1.0	3602	0.8
BENEFITS	1284	0.2	134	0.2	415	0.2	735	0.2
SPACE ADVERTISING	24170	3.2	2293	3.5	5396	2.1	16482	3.7
CATALOGS AND TRADE ADVERTISING	16648	2.2	342	0.5	4729	1.8	11578	2.6
DIRECT MAIL	3380	0.4	375	0.6	226	0.1	2779	0.6
PUBLICITY	4157	0.5	91	0.1	1403	0.5	2664	0.6
FREE COPIES (INCLUDING POSTAGE)	6994	0.9	320	0.5	2143	0.8	4531	1.0
EXHIBITS	3341	0.4	135	0.2	1187	0.5	2019	0.5
OTHER	6656	0.9	505	0.8	1287	0.5	4864	1.1
TOTAL PROMOTION EXPENSE	73482	9.6	4975	7.6	19254	7.5	49254	11.2
TOTAL MARKETING EXPENSE	112808	14.8	9340	14.3	33918	13.3	69550	15.8

TABLE A22 - FULFILLMENT EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS

9 PUBLISHERS WITH NET SALES OF $574,059,000 USING INTERNAL FACILITIES	ALL PUBLISHERS		2 PUBLISHERS NET SALES UNDER $20 MILLION		3 PUBLISHERS NET SALES $20-$50 MILLION		4 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING								
SALARIES	5907	1.0			1584	1.3	3831	0.9
BENEFITS	1249	0.2			291	0.2	870	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	3166	0.6			630	0.5	1972	0.4
EQUIPMENT & SUPPLIES	513	0.1			182	0.1	258	0.1
OTHER	1066	0.2			499	0.4	437	0.1
TOTAL ORDER PROCESSING	11902	2.1			3185	2.6	7368	1.7
SHIPPING & WAREHOUSING								
SALARIES	16917	2.9			2440	2.0	13494	3.1
BENEFITS	3607	0.6			546	0.4	2886	0.7
OCCUPANCY	5960	1.0			1069	0.9	4395	1.0
EQUIPMENT & SUPPLIES	4478	0.8			967	0.8	3328	0.8
TRANSPORTATION CHRGES	3474	0.6			-253	-0.2	3510	0.8
OTHER	687	0.1			228	0.2	460	0.1
TOTAL SHIPPING AND WAREHOUSING	35123	6.1			4996	4.0	28072	6.4
TOTAL FULFILLMENT EXP. OF PUBLISHERS UTILIZING INTERNAL FACILITIES	47025	8.2			8181	6.6	35440	8.0

Data for the "Under $20 Million" category have been suppressed to prevent disclosure.

TABLE A23 - GENERAL AND ADMINISTRATIVE EXPENSE-BY SIZE OF PUBLISHER

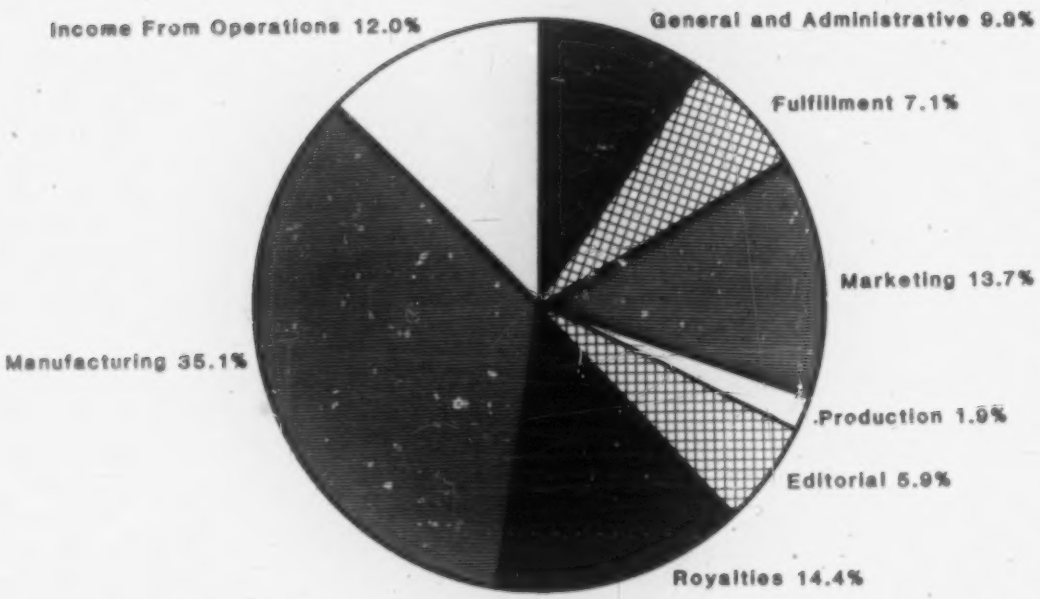
THOUSANDS OF DOLLARS - AS REPORTED BY 17 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $780,822,000

	ALL PUBLISHERS		6 PUBLISHERS NET SALES UNDER $20 MILLION		7 PUBLISHERS NET SALES $20-$50 MILLION		4 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
MANAGEMENT SALARIES	9310	1.2	1998	2.4	3193	1.3	4118	0.9
MANAGEMENT BENEFITS	1991	0.3	339	0.4	687	0.3	965	0.2
ACCOUNTING SALARIES	7232	0.9	764	0.9	3034	1.2	3434	0.8
ACCOUNTING BENEFITS	1496	0.2	126	0.1	604	0.2	766	0.2
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	9457	1.2	1259	1.5	1515	0.6	6684	1.5
GENERAL OFFICE BENEFITS	4132	0.5	266	0.3	1056	0.4	2811	0.6
GENERAL TRAVEL AND ENTERTAINMENT	1487	0.2	144	0.2	428	0.2	915	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	6239	0.8	502	0.6	1636	0.6	4101	0.9
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	13808	1.8	1204	1.4	4583	1.8	8021	1.8
OTHER TAXES (EXCEPT INC. & PAYROLL TAXES)	956	0.1	96	0.1	407	0.2	454	0.1
PERSONAL PROP. TAXES	423	0.1	0	0.0	233	0.1	190	0.0
ALL OTHER	458	0.1	20	0.0	174	0.1	264	0.1
UNSPECIFIED	76		76		0		0	
OTHER	26074	3.3	2579	3.0	9646	3.8	13850	3.1
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	82183	10.5	9275	11.0	26787	10.5	46120	10.5

TABLE A24 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 TRADE BOOK PUBLISHERS
WITH TOTAL NET SALES OF $701,837,000

	ALL PUBLISHERS		5 PUBLISHERS NET SALES UNDER $20 MILLION		7 PUBLISHERS NET SALES $20-$50 MILLION		3 PUBLISHERS NET SALES ABOVE $50 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PENSIONS	3246	0.5	45	0.1	1264	0.5	1937	0.5
DEFERRED PROFIT SHARING	1213	0.2	211	0.3	37	0.0	965	0.3
HOSP. & GROUP INSURANCE	8337	1.2	570	0.8	3185	1.2	4583	1.2
PAYROLL TAXES	7408	1.1	701	1.0	2551	1.0	4155	1.1
OTHER	1049	0.1	143	0.2	147	0.1	759	0.2
TOTAL EMPLOYEE BENEFITS	21254	3.0	1670	2.4	7184	2.8	12399	3.3



Based on data reported in Table A5
Income (100%) Equals Net Sales (92.9%) plus Other Income (7.1%)

FIGURE A2 - 1987 DISPOSITION OF INCOME BY TRADE AND RELIGIOUS BOOK PUBLISHERS

TABLE A25 - EMPLOYEE DATA

AS REPORTED BY 19 TRADE BOOK PUBLISHERS
EMPLOYING 4,724 TOTAL STAFF
(NET SALES PER EMPLOYEE - $181,998)

	PERCENT OF TOTAL	
	AVERAGE	MID-RANGE
EDITORIAL	25.0	14.6 TO 31.6
PRODUCTION	7.3	5.5 TO 13.9
MARKETING (TOTAL)	20.7	17.8 TO 34.7
SALESMEN	5.2	5.8 TO 17.7
SALES DEPARTMENT	3.3	5.1 TO 11.9
PROMOTION	5.1	4.3 TO 14.4
UNSPECIFIED	7.1	
FULFILLMENT (TOTAL)	25.7	7.5 TO 33.4
ORDER PROCESSING	7.0	3.8 TO 12.2
SHIPPING & WAREHOUS'G	18.2	5.5 TO 28.4
UNSPECIFIED	0.5	
ADMINISTRATIVE MANAGEM'T	9.0	2.0 TO 16.0
GENERAL OFFICE	7.5	5.5 TO 18.8
OTHER	4.8	2.0 TO 19.3
EMPLOYEES PER $100,000 SALES	0.5	0.1 TO 1.5

TABLE A26 - INVENTORY TURNOVER

TYPE OF BOOK	REPLIES	NET SALES ($000)	INVENTORY TURNOVER
ADULT HARDBOUND	11	276776	2.2
ADULT PAPERBOUND	9	136001	1.9
JUVENILE	8	189650	1.6
RELIGIOUS	4	44402	1.6
BY SIZE OF PUBLISHER			
SALES UP TO $20 MILLION	4	61564	1.7
SALES $20 TO $50 MILLION	7	255688	1.6
SALES $50 MILLION & OVER	4	440578	2.0

In **Table A26** inventory turnover is established by dividing Total Manufacturing Cost by the average of Beginning Inventory and Ending Inventory After Writedowns. For pertinent definitions, refer to pages A1 and A2 of Operating Data Questionnaire Form A. Also please note the text comments on plant costs and plate cost treatment following **Table A6.**

In comparing his own inventory turnover with that reported here, a publisher should bear in mind not only the possible impact of plant cost treatment on inventory values, but also the variations in such values resulting from differing writedown policies. Most writedown practices in the industry must, perforce, be based on the subjective judgement of market values, reflecting varying life expectancies and turnover of product lines and individual titles. A publisher must keep has own sales patterns in mind, therefore, when making the comparison. Despite the levelling effect of pooling the data, a publisher with, for example, a specialized product line may find his turnover differing noticeably and justifiably from the composite figure.

TABLE A27 - BILLINGS AND RECEIVABLES

	REPLIES	AMOUNT
NET SALES ($000)	16	674632
NUMBER OF INVOICES ANNUALLY (000)	11	3714
AVERAGE INV. VALUE		102.78
NUMBER OF CREDIT MEMOS ANNUALLY (000)	11	493
ACCOUNTS RECEIVABLE (AT YEAR END - $000)	16	501246
PERCENT OF NET SALES		74.3
ACCOUNTS RECE. - AGED TOTAL ($000)	14	467554
PCT. CURRENT		65.5
PCT. 1-30 DAYS		16.0
PCT. 31-60 DAYS		9.1
PCT. 61 DAYS AND OVER		9.4
BAD DEBT RESERVE ($000)	13	14195
PCT. OF NET SALES		2.0
PCT. OF RECEIVABLES		3.4
BAD DEBT LOSSES ($000)	14	4308
PCT. OF NET SALES		0.9
PCT. OF RECEIVABLES		1.1
AVERAGE COLLECTION PERIOD (DAYS)	14	93
RANGE (DAYS)		53-177

ABSTRACTED DEFINITIONS

Continued from page A-26

Tables A14 and A24 - Employee Benefits

This **Employee Benefits** schedule summarizes all benefits applicable to employees' salaries reported in this survey.

Pensions: Includes accruals as well as actual payments.

Deferred Profit Sharing: Current profit sharing is shown with salaries in the appropriate tables. Only amounts contributed to **deferred** payment plans are included here.

Hospitalization and Group Insurance: Includes life insurance premiums of executives.

Table A25 - Employee Data

Includes only staff employed; excludes freelance or outside agents such as "commission" reps representing several publishers. Excludes freelance editors and designers.

Table A27 - Billings and Receivables

The amount on **total receivable** and **past due** balances is as of the end of the calendar year.

Definitions for most line items, and instructions for furnishing data to the AAP Industry Statistics are included in the survey questionnaires. Overall methodology, and definitions of the publishing divisions themselves are presented in this volume beginning on page xiii.

The General Publishing Division Statistics Committee is supplementing this material with the following brief definitions:

Tables A1 & A2 - Gross Sales and Returns

Gross Sales on a calendar year basis. Includes foreign, book clubs and remainder sales. Also includes sales of calendars, posters, maps, software, and audiovisual, visual cassettes, and multimedia products in "Other." Does not include income from subsidiary rights or from non-publishing activities such as printing plants, sales representation, or fulfillment service operations.

Returns show actual credited totals only, and do not show amounts reserved.

Table A3 - Domestic Net Sales By Type of Customer

Bookstores:

General: Includes all book outlets, such as stationery or department stores.

College: Stores catering predominantly (50% or more) to college and university students and faculty.

Religious: Stores catering predominantly (50% or more) to a religious audience.

Paperback: Includes only stores specializing exclusively in paperback books.

Other Retail Outlets: Includes computer, art supply, health food, sports stores, etc.

Wholesalers: Includes agents who market books to retailers, libraries, schools and institutions and are engaged predominantly (50% or more) in so doing.

Prebinders: Applies primarily to publishers of juveniles who should report their sheet sales to such firms here.

Libraries and Institutions (Total):

Public Libraries.

Colleges and Universities: Includes sales to the libraries of these institutions, as well as direct sales to special programs or departments.

Schools: Includes sales to school libraries, resource centers, classrooms, systems or districts. Includes sales to bookstores operated by secondary or elementary schools, public or private.

Other: Includes library sales to museums, public landmarks, government departments, the military, historical and scholarly societies. Also reported are sales to technical, legal, and business libraries, etc.

Mass Market Outlets: Chain stores, drug stores, newsstands, supermarkets, etc.

Special Sales: Includes sales of special editions to book clubs or for premium or sales tie-in purposes. Includes bulk sales to corporations, author, and others.

Direct to Consumer: Mail order sales solicited and fulfilled under auspices of reporting companies.

Tables A6 and A16 - Manufacturing Expense

Manufacturing Expense in general is defined as the **materials** cost (i.e. of **physical** components) of the books or products sold. It is distinguished from **Production Expense** which involves the **labor** cost to the publisher of supervising the manufacturing process, and the **Editorial Expense** which involves the labor cost to the publisher of readying the content of a book for manufacture.

Because of the complexity of the pre-publication process and the overlapping of these functions, it is important that you read (and understand) the complete definitions devised for these expenses. (See note at the start of these "Abstracted Definitions.")

Tables A7 and A17 - Royalty Expense

Royalties Paid: does not include override royalties paid to staff editors.

Grants and Fees in Lieu of Royalties: Flat payments.

Advances Written Off: Includes write-offs of advances, judged to be unearnable, made during the reporting year.

Net Royalty Advances Outstanding at Year End: Net advances carried as assets on balance sheet at year end.

Tables A8 and A18 - Other Publishing Income

Subsidiary Rights (Total): The sum of payments or royalties actually received in the reporting year after deduction of author's shares.

Tables A9 and A19 - Editorial Expense

Note: **"Salaries"** in this and the following tables include vacation and holiday pay, bonuses and current profit sharing.

Outside Editorial Expense: Compensation to freelance and procurement editors, copy and manuscript editors, indexers, readers, etc. Includes fees to be paid to experts for manuscript evaluation.

Other: Reference and research materials, stationery and supplies, etc. Does not include occupancy expense, or maintenance, overhead, utility or telephone charges which are reported in Tables A13 & A23.

Continued on page A-26

Continued from page A-25

Tables A10 and A20 – Production Expense

Production Expense in general is defined as the cost of **labor** incurred by the publisher in having products manufactured. It is distinguished from **Manufacturing Expense,** which involves the **materials** cost of the products themselves. Staff positions involved would be those of the production manager and his/her assistant, artists and designers.

Outside Production Expense: Compensation to free-lance designers and production personnel. Outside production services are included.

Other: Reference materials, art and other supplies, stationery, travel and entertainment by departmental and freelance staff, etc. Does not include occcupancy expense or maintenance, overhead, utility or telephone charges which are included in General and Administrative Expense.

Tables A11 and A21 – Marketing Expense

Selling Expense (Total): "Selling" is distinguished from "Promotion" as pertaining to direct personal contact with customers, while "Promotion" covers advertising, direct mail, exhibits and publicity.

Salesrep's Salaries and Commissions: Salary and/or commission compensation to domestic and foreign sales reps. Includes special sales, sub-rights, and telemarketing reps, staff or independent.

Promotion:

Departmental Salaries: Includes promotion managers, advertising and copy writers, direct mail, publicity and exhibit staff.

Space Advertising: The cost of the space and the preparation of advertising, including cooperative advertising, in consumer and specialized media. TV and radio advertising is also reported.

Catalogs and Trade Advertising: Cost of preparing, printing and mailing materials intended predominantly for the individual consumer.

Publicity: Includes the cost of news releases, travel and entertainment in connection with this effort, fees paid to public relations firms and publicity agents, cost of sending authors on tour or transporting them to TV shows, etc.

Free Copies: Books furnished at no charge, including those for review, for examination, and/or as desk copies to educators, and to exhibits. Postage is added to the value of the books which includes both plant and manufacturing costs (paper, printing, binding).

Exhibits: The cost of exhibit space, display units and materials as well as travel and entertainment expense of staff and freelance personnel.

Other: The cost of promotional activities not covered above, such as autographing parties, book fairs, special displays, etc. Does not include occupancy, overhead or telephone charges which are reported in G & A Exp.

Tables A12 and A22 – Fulfillment Expense

Fulfillment Expense in general is defined as the cost of consummating a customer's order after it has been placed. This involves: 1. the production of shipping and invoice documents, including the posting to accounts receivable, processing of subsequents payment, maintaining attendant records, and rendering reports, and 2. the warehousing, shipping and handling of returns of the products involved.

Because of the complexity of the fulfillment process and the overlapping of these functions it is important to read (and understand) the complete definitions devised for these expenses. (See the note at the start of these "Abstracted Definitions.")

Tables A13 and A23 – General and Administrative Expense

General and Administrative Expense does not include fees charged by a parent company except insofar as they represent payment for services actually received and which the publisher would otherwise have to furnish or purchase elsewhere. Multidivisional companies have allocated general administrative expenses to the division.

Management Salaries: The compensation of executives and administrators not reported in previous schedules.

Accounting Salaries: Compensation of financial and accounting departmental staff, management as well as clerical.

General Office Salaries: Compensation of all staff not reported in other schedules or above.

General Travel and Entertainment: Company-reimbursed transportation, living expenses on the road, and entertainment not included in other schedules.

EDP/Systems Expense (Direct or Allocated): Publishers utilizing an automated system for processing accounting and other data, either under their own auspices or outside, reporting the appropriate portion of such expense devoted to general and administrative activities, including salaries.

Occupancy (Except Warehousing): Rent, or mortgage expense (including interest), or depreciation, if property is owned. Includes appropriate real estate taxes, insurance, heat, light, power, maintenance and repair. Occupancy cost of warehouses is shown under Fulfillment Expense.

Other Taxes (Except Income and Payroll):

Personal Property Taxes: Does not include real estate taxes.

Other: Includes other general expense not shown elsewhere, such as telephone and telegraph; stationery and supplies; bad debts written off or additions to bad debt reserve; collection expenses; insurance; depreciation on general office equipment.

Continued on page A-24

SECTION B - TECHNICAL, SCIENTIFIC, BUSINESS, MEDICAL, AND OTHER PROFESSIONAL BOOK PUBLISHERS AND DIVISIONS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM B (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

SALES DATA

39 professional publishers reported 1987 total net sales of $596.9 million to the AAP Statistics Program. When this total is compared to that estimated for this industry segment in **Table S1** ($1845.2 million), it appears that some 32.3% of professional book sales are represented in **Table B1a.** Note, however, that the reported figures exclude the bulk of law book sales which, historically, publishers fail to supply to this Survey.

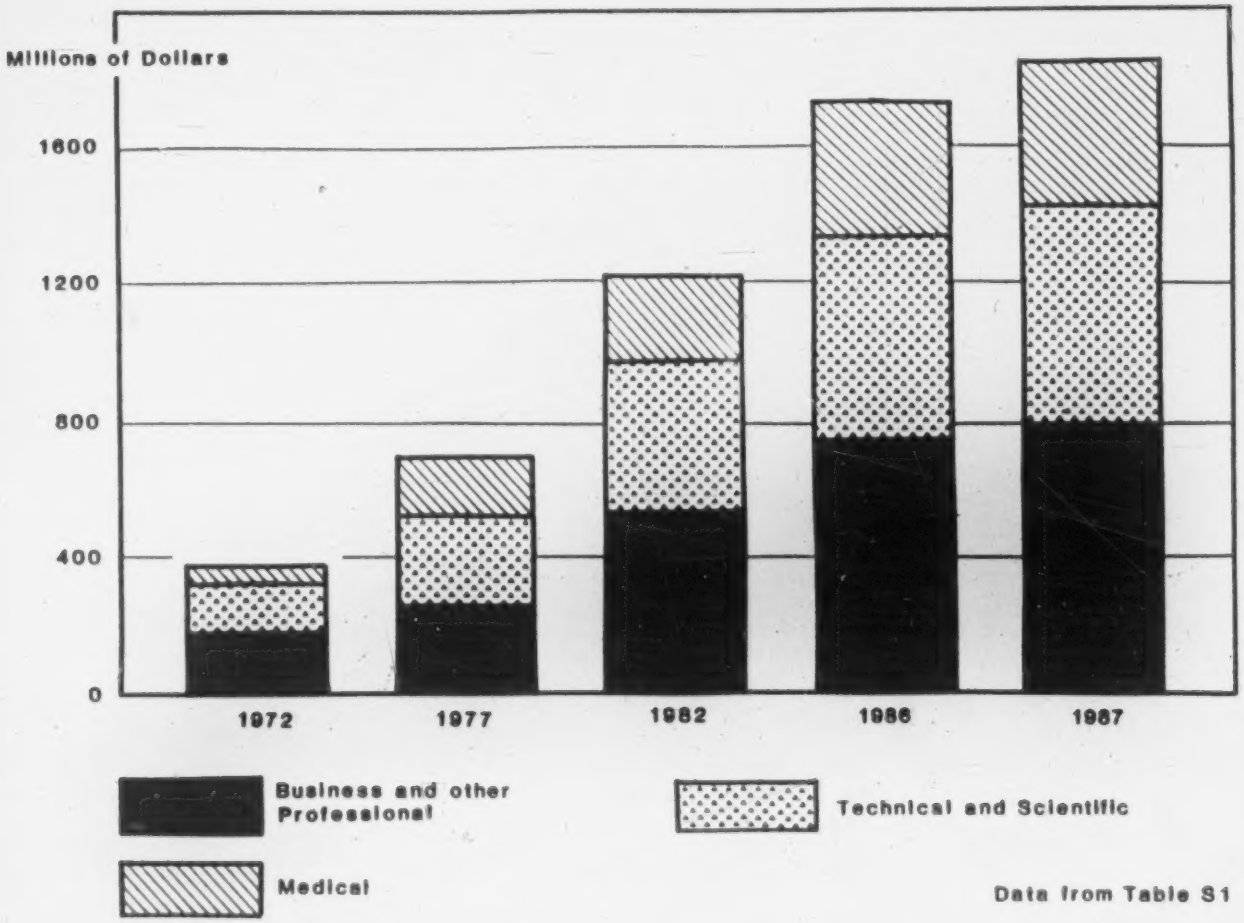
In **Table B1a** publishers report sales detail by publishing category for both 1987 and 1986 in dollars. In **Table B1b** data is provided by 29 publishers for similar detail in both dollars and units.

TABLE B1a - SALES OF PROFESSIONAL BOOKS-BY CATEGORY OF PUBLICATION

MILLIONS OF DOLLARS - AS REPORTED BY 39 PUBLISHERS

	GROSS SALES	RETURNS	NET SALES	PERCENT RETURNS - GROSS	
				AVERAGE	MID-RANGE
23 TECH'L & SCIENTIFIC					
1987	178.6	23.9	154.6	13.4	4.3 TO 14.9
1986	161.6	23.1	138.5	14.3	4.1 TO 15.7
PERCENT CHANGE	10.5	3.7	11.6		
17 BUSINESS & OTHER PROF					
1987	201.0	19.0	182.0	9.5	10.2 TO 19.8
1986	189.2	18.2	171.0	9.6	8.2 TO 18.2
PERCENT CHANGE	6.2	4.5	6.4		
22 MEDICAL					
1987	194.9	27.8	167.1	14.3	11.6 TO 15.0
1986	186.1	25.4	160.7	13.6	10.9 TO 13.9
PERCENT CHANGE	4.7	9.5	4.0		
ALL PROFESSIONAL					
1987	596.9	72.2	524.7	12.1	4.6 TO 15.0
1986	558.7	67.6	491.1	12.1	5.0 TO 14.9
PERCENT CHANGE	6.8	6.8	6.8		

FIGURE B1 - ESTIMATED PROFESSIONAL BOOK NET SALES 1972, 1977, 1982, 1986-87



Data from Table S1

TABLE B1b - SALES OF PROFESSIONAL BOOKS-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 29 PUBLISHERS

	GROSS SALES								
	1987		1986		PERCENT CHANGE		YOUR DATA		
	$	UNITS	$	UNITS	$	UNITS			
TECHNICAL & SCIENTIFIC	143133	4857	126774	4821	12.9	0.7			
BUSINESS & OTHER PROF.	186226	7108	173916	6669	7.1	6.6			
MEDICAL	179620	7180	172289	7480	4.3	-4.0			
ALL PROFESSIONAL	508979	19145	472979	18970	7.6	0.9			

Continued on page B-3

TABLE B1b - SALES OF PROFESSIONAL BOOKS-BY CATEGORY OF PUBLICATION

Continued from page B-2

RETURNS

	1987		1986		PERCENT CHANGE		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
TECHNICAL & SCIENTIFIC	19286	709	19037	745	1.3	-4.8				
BUSINESS & OTHER PROF.	16971	1065	15737	924	7.8	15.3				
MEDICAL	25797	947	23932	966	7.8	-2.0				
ALL PROFESSIONAL	62054	2721	58706	2635	5.7	3.3				

NET SALES

	1987		1986		PERCENT CHANGE		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
TECHNICAL & SCIENTIFIC	123847	4148	107737	4076	15.0	1.8				
BUSINESS & OTHER PROF.	169255	6043	158179	5745	7.0	5.2				
MEDICAL	153823	6233	148357	6514	3.7	-4.3				
ALL PROFESSIONAL	446925	16424	414273	16335	7.9	0.5				

1987 PERCENT RETURNS TO GROSS

	DOLLARS		UNITS		YOUR DATA			
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE				
TECHNICAL & SCIENTIFIC	13.5	7.6 TO 14.9	14.6	8.7 TO 16.5				
BUSINESS & OTHER PROF.	9.1	9.3 TO 17.5	15.0	8.9 TO 18.6				
MEDICAL	14.4	12.7 TO 15.0	13.2	12.6 TO 15.2				
ALL PROFESSIONAL	12.2	7.2 TO 15.1	14.2	6.7 TO 15.4				

DOLLARS PER UNIT
NET SALES

	1987		1986		YOUR DATA			
	$-AVG	$-RANGE-AVG	$-AVG	$-RANGE-AVG				
TECHNICAL & SCIENTIFIC	29.86	12.53 TO 51.52	26.43	10.73 TO 48.55				
BUSINESS & OTHER PROF.	28.01	7.56 TO 72.78	27.53	6.97 TO 72.33				
MEDICAL	24.68	14.81 TO 41.84	22.78	9.71 TO 39.57				
ALL PROFESSIONAL	27.21	11.77 TO 72.78	25.36	6.97 TO 72.33				

TABLE B2 - NET SALES OF PROFESSIONAL BOOKS-BY SUBJECT CATEGORY

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 28 PUBLISHERS

	1987					1986				
	DOLLARS		UNITS		AVERAGE DOLLARS	DOLLARS		UNITS		AVERAGE DOLLARS
	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT
TECHNICAL & SCIENTIFIC (TOTAL)	118318	100.0	3874	100.0	30.54	101664	100.0	3777	100.0	26.92
MATHEMATICS, PROBABILITY & STAT.	6080	5.1	198	5.1	30.71	5948	5.9	211	5.6	28.19
COMPUTER SCIENCES	11017	9.3	531	13.7	20.75	9401	9.2	436	11.5	21.56
ENGINEERING	30606	25.9	946	24.4	32.35	28351	27.9	921	24.4	30.78
BIOLOGICAL SCIENCES	7438	6.3	161	4.2	46.20	5896	5.8	189	5.0	31.20
PHYSICAL SCIENCES	13318	11.3	360	9.3	36.99	13449	13.2	316	8.4	42.56
EARTH SCIENCES	2946	2.5	83	2.1	35.49	2568	2.5	84	2.2	30.57
SOCIAL SCIENCES (TOTAL)	17699	15.0	509	13.1	34.77	10511	10.3	477	12.6	22.04
ECONOMICS	1833	1.5	71	1.8	25.82	1604	1.6	68	1.8	23.59
PSYCHOLOGY	2866	2.4	115	3.0	24.92	2521	2.5	121	3.2	20.83
OTHER SOCIAL SCI.	13000	11.0	323	8.3	40.25	6386	6.3	288	7.6	22.17
ARCHITECTURE	6638	5.6	307	7.9	21.62	7331	7.2	359	9.5	20.42
OTHER TECH. & SCIENT.	22576	19.1	779	20.1	28.98	18209	17.9	784	20.8	23.23
BUSINESS & OTHER PROFESSIONAL (TOTAL)	142609	100.0	5122	100.0	27.84	130739	100.0	4862	100.0	26.89
BUSINESS	100614	70.6	2789	54.5	36.08	93122	71.2	2632	54.1	35.38
LAW	19231	13.5	606	11.8	31.73	17619	13.5	537	11.0	32.81
EDUCATION	3815	2.7	265	5.2	14.40	3113	2.4	378	7.8	8.24
OTHER BUSINESS & PROFESSIONAL	18949	13.3	1462	28.5	12.96	16885	12.9	1315	27.0	12.84
MEDICAL (TOTAL)	150532	100.0	6156	100.0	24.45	143269	100.0	6010	100.0	23.84
MEDICAL PROFESSIONAL (TOTAL)	102047	67.8	3493	56.7	29.21	94791	66.2	3482	57.9	27.22
MEDICINE	63706	42.3	2162	35.1	29.47	62357	43.5	1966	32.7	31.72
DENTISTRY	4053	2.7	133	2.2	30.47	4177	2.9	130	2.2	32.13
VETERINARY MED.	159	0.1	6	0.1	26.50	50	0.0	3	0.0	16.67
OTHER MED. PROF.	12841	8.5	465	7.6	27.62	11513	8.0	489	8.1	23.54
MED. PROF-NOT GIVN	21288	14.1	728	11.8	29.24	16694	11.7	894	14.9	18.67
MEDICAL TEXTBOOKS (TOTAL)	48485	32.2	2662	43.2	18.21	48478	33.8	2527	42.0	19.18
NURSING	29303	19.5	1695	27.5	17.29	28499	19.9	1480	24.6	19.26
ALLIED HEALTH	10328	6.9	523	8.5	19.75	9697	6.8	522	8.7	18.58
OTHER TEXTBOOKS	7699	5.1	401	6.5	19.20	9251	6.5	483	8.0	19.15
MED. TEXTS-NOT GIV	1155	0.8	43	0.7	26.86	1031	0.7	43	0.7	23.98

TABLE B3 - DOMESTIC NET SALES OF PROFESSIONAL BOOKS-BY TYPE OF CUSTOMER

THOUSANDS OF DOLLARS - AS REPORTED BY 28 PUBLISHERS

	ALL SALES		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL
RETAIL STORES (TOTAL)	68086	19.8	28505	26.6	22406	17.0	14401	15.9
GENERAL BOOKSTORES	18708	8.8	9073	12.4	3605	4.8	6240	9.9
COLLEGE BOOKSTORES	21862	10.3	9686	13.2	8790	11.6	3502	5.5
OTHER RETAILERS	1542	0.7	748	1.0	479	0.6	315	0.5
UNSPECIFIED	25974		8998		9532		4344	
WHOLESALERS AND JOBBERS (TOTAL)	81901	23.8	26713	24.9	9923	7.5	38629	42.7
LIBRARY JOBBERS	14883	9.6	7934	20.4	3023	4.7	4216	8.0
ALL OTHER JOBBERS	21925	14.2	1789	4.6	1830	2.8	18346	34.7
UNSPECIFIED	45093		16990		5070		16067	
LIBRARIES & INSTITUTIONS (TOTAL)	31593	9.2	18738	17.5	8605	6.5	2871	3.2
PUBLIC LIBRARIES	4375	2.1	1915	3.8	2346	1.9	115	0.2
COLLEGES AND UNIVERSITIES	8457	4.0	4210	8.3	2714	2.1	1533	2.4
SCHOOLS	2073	1.0	1583	3.1	221	0.2	269	0.4
OTHER	4335	2.1	1193	2.3	2995	2.4	151	0.2
UNSPECIFIED	12352		9837		328		803	
GOVERNMENT	5155	1.5	1371	1.3	1980	1.5	143	0.2
INDUSTRY	16246	4.7	5747	5.4	9600	7.3	899	1.0
SPECIAL SALES	7991	2.3	1642	1.5	2376	1.8	3415	3.8
INDIVIDUAL SALES (TOTAL)	132805	38.6	24376	22.8	76851	58.3	30076	33.3
THROUGH SALESMEN	34363	11.3	0	0.0	32595	25.0	3957	4.6
BY MAIL	81775	26.9	18628	22.6	42739	32.8	23811	28.0
CONVENTION SALES	1462	0.5	147	0.2	779	0.6	541	0.6
UNSPECIFIED	15205		5601		738		1767	
TOTAL	343775	100.0	107091	100.0	131741	100.0	90433	100.0

In **Table B3**, as in other succeeding tables, the data appearing in the column headed "All Sales" do **not** represent a total of the items shown horizontally in the remaining columns. Some reporting publishers have provided breakdowns of sales by category of publication, summarized in the detail columns, while others have not. However, all sales reported, whether detailed in other columns or not, **are** included in the "All Sales" column.

The "Percentage of Total" shown in the detail columns represents the portion of sales in a publishing category marketed to the customer type listed in the stub. "Unspecified" amounts are allocated in proportion to amounts specifically reported, as explained in the Introduction to this Annual Statistics Report.

TABLE B4 - NET SALES OF PROFESSIONAL BOOKS-BY GEOGRAPHICAL LOCATION

THOUSANDS OF DOLLARS - AS REPORTED BY 30 PUBLLISHERS

	ALL SALES		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL
UNITED STATES	414164	89.7	107829	83.1	166041	98.3	127239	85.7
CANADA	10474	2.3	2889	2.2	920	0.5	5946	4.0
FOREIGN (TOTAL)	37033	8.0	18980	14.6	2015	1.2	15300	10.3
LATIN AMERICA	1477	0.4	642	0.6	48	0.0	882	0.8
AUSTRALIA & N.ZEALAND	1302	0.4	697	0.6	129	0.1	523	0.5
ASIA	10679	3.0	7103	6.6	536	0.4	3379	3.0
UNITED KINGDOM	7772	2.2	4838	4.5	757	0.5	2241	2.0
CONTINENTAL EUROPE	6168	1.7	1888	1.7	123	0.1	3903	3.5
AFRICA, NEAR & MIDDLE EAST	1208	0.3	670	0.6	73	0.1	703	0.6
UNSPECIFIED	8427		3142		350		3668	
TOTAL	461672	100.0	129698	100.0	168976	100.0	148486	100.0

TABLE B5 - OPERATING DATA OF PROFESSIONAL BOOK PUBLISHERS-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS

	ALL PUBLISHERS			TECHNICAL AND SCIENTIFIC		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	454306	118.4	114.3 TO 117.7	129677	125.3	111.7 TO 122.9
RETURNS AND ALLOWANCES	70635	18.4	14.3 TO 17.7	26190	25.3	11.7 TO 22.9
NET SALES	383672	100.0	100.0 TO 100.0	103487	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	121359	31.9	28.0 TO 37.4	37021	35.8	25.5 TO 38.7
ROYALTIES	35578	9.4	6.3 TO 11.7	9699	9.4	4.2 TO 11.0
UNSPECIFIED	1494			0		
TOTAL COST OF SALES	158431	41.3	36.0 TO 49.8	46720	45.1	33.4 TO 46.9
GROSS MARGIN ON SALES	225241	58.7	50.2 TO 64.0	56767	54.9	53.1 TO 66.6
OTHER INCOME	13455	3.5	0.6 TO 3.3	5030	4.9	0.4 TO 9.5
OPERATING EXPENSE						
EDITORIAL	33210	8.7	6.2 TO 10.9	6408	6.2	4.7 TO 11.5
PRODUCTION	13423	3.5	1.9 TO 4.3	4633	4.5	3.2 TO 5.3
MARKETING	78214	20.5	14.8 TO 23.8	22328	21.6	17.5 TO 22.7
FULFILLMENT	21050	5.5	4.6 TO 8.0	8537	8.2	5.0 TO 7.7
GENERAL & ADMIN.	44290	11.6	9.7 TO 16.6	17083	16.5	12.2 TO 22.4
UNSPECIFIED	744			0		
TOTAL OPERATING EXPENSE	190933	49.8	46.9 TO 57.1	58989	57.0	51.8 TO 68.4
INCOME FROM OPERATIONS*	47762	12.4	2.3 TO 14.5	2808	2.7	-4.1 TO 12.5

Continued on page B-7

* Please see corresponding note on page B-7.

TABLE B5 - OPERATING DATA OF PROFESSIONAL BOOK PUBLISHERS-BY CATEGORY OF PUBLICATION

Continued from page B-6

	BUSINESS & OTHER PROFESSIONAL			MEDICAL		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	147823	114.7	111.7 TO 123.6	157268	116.9	113.4 TO 117.4
RETURNS AND ALLOWANCES	18997	14.7	11.7 TO 23.6	22698	16.9	13.4 TO 17.4
NET SALES	128826	100.0	100.0 TO 100.0	134570	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	34642	26.9	24.7 TO 28.6	43210	32.5	29.4 TO 39.3
ROYALTIES	9103	7.1	7.3 TO 13.8	15981	12.0	9.7 TO 14.6
UNSPECIFIED	0			811		
TOTAL COST OF SALES	43745	34.0	32.2 TO 43.9	60002	44.6	42.0 TO 51.5
GROSS MARGIN ON SALES	85081	66.0	56.1 TO 67.8	74568	55.4	48.5 TO 58.0
OTHER INCOME	3163	2.5	-0.0 TO 3.0	5177	3.8	0.6 TO 7.5
OPERATING EXPENSE						
EDITORIAL	14247	11.1	7.1 TO 9.9	11204	8.4	6.4 TO 11.4
PRODUCTION	4411	3.4	2.2 TO 5.2	3867	2.9	1.4 TO 4.3
MARKETING	23502	18.2	15.8 TO 27.0	29583	22.2	14.8 TO 23.9
FULFILLMENT	4518	3.5	2.7 TO 9.3	6883	5.2	4.8 TO 7.9
GENERAL & ADMIN.	8890	6.9	6.5 TO 13.8	16148	12.1	9.7 TO 16.2
UNSPECIFIED	0			744		
TOTAL OPERATING EXPENSE	55567	43.1	41.8 TO 64.0	68430	50.9	44.8 TO 58.3
INCOME FROM OPERATIONS*	32677	25.4	2.2 TO 14.9	11314	8.4	0.5 TO 15.6

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

OPERATING DATA

Operating data of Professional Publishers is reported in two sections. The first section, **Tables B5 through B14,** provides some breakdown by category of publication; while the second section, **Tables B15 through B23,** analyzes the data by size of publisher.

Tables B5 and B15 are summary tables, offering composite income statements of the reporting publishers. The remaining tables detail specific expense areas.

Publishers, while asked to provide sales data on a calendar year basis, were given the option to furnish operating information on a fiscal year basis. 4 publishers exercised this option. The months terminating their reporting year are listed below, together with the number of publishers for each fiscal period:

March - 1
April - 2
October - 1

TABLE B6 - MANUFACTURING EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $289,229,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
BEGINNING INVENTORY	65610	22.7	24991	29.4	11950	11.7	14729	21.9
PURCHASES (TOTAL)	103584	35.8	29423	34.6	31258	30.6	22706	33.7
PLANT COSTS	31506	12.8	15941	18.7	5612	6.1	7962	11.8
PAPER, PRINTING & BINDING	56886	23.0	13482	15.8	22758	24.6	14743	21.9
UNSPECIFIED	15192		0		2888		0	
COST OF FREE BOOKS	2486	0.9	861	1.0	345	0.3	904	1.3
WRITE DOWNS	10486	3.6	5278	6.2	1983	1.9	2356	3.5
ENDING INVENTORY AFTER WRITE DOWNS	70853	24.5	25084	29.5	14073	13.8	14801	22.0
TOTAL MANUFACTURING EXP.	95855	33.1	28469	33.5	28790	28.2	21729	32.3

The composite manufacturing cost figure in **Table B6** includes data that reflect varying treatments of plant costs. Since a levelling effect takes place when the data are consolidated, the possibility of distortion is minimized. Nevertheless, a publisher who compares his own data with those in the survey should bear in mind that the inventory and purchase figures shown represent a mix that includes plant costs being amortized, plant costs that have been inventoried, and even some plant costs that have been written off on publication.

To place the survey data in perspective, the practices of some participating publishers are listed here:

Written off as incurred - 1 publisher
Written into inventory - 6 publishers

Amortized over 1 year - 1 publisher
Amortized over 1-4 years - 1 publisher
Amortized over 3-5 years - 1 publisher
Amortized over 5 years - 6 publishers

Although the group of publishers reporting plant cost treatment is not identical to that whose manufacturing costs are analyzed in **Tables B5 and B6**, the treatment report provides an indication of the proportion and the effect of the plant cost input on the analysis.

Additionally, 7 publishers with total net sales of $157.8 million reported carrying $15.8 million in unamortized plant costs on their year-end balance sheets (10.0% of net sales). 82.3% of this amount was for published books, and 17.7% was for unpublished works.

TABLE B7 - ROYALTY EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $306,215,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ROYALTIES PAID	27184	8.9	9255	9.4	6294	6.1	10594	11.9
FEES IN LIEU OF ROYALTIES	199	0.1	78	0.1	8	0.0	113	0.1
ADVANCES WRITTEN OFF	367	0.1	95	0.1	59	0.1	196	0.3
TOTAL ROYALTIES	27750	9.1	9428	9.6	6361	6.2	10904	12.3

In **Table B7,** in addition to providing operating data on royalties, publishers were asked to report the level of royalty advances carried on their balance sheets at reporting year end. 14 publishers responded, reporting a total aggregate advance of $5.1 million. As these publishers enjoyed combined net sales of $254.5 million, the advances reported represent 2.0% of net sales.

Detail given by category of publication included Technical & Scientific: $1.8 million in advances on net sales of $62.9 million (advances 2.9% of net sales); Business and Other Professional: $1.2 million in advances--1.3% of the reported net sales of $92.6 million; and Medical: $1.5 million in advances on net sales of $82.2 million (1.9% of net sales).

TABLE B8 - OTHER PUBLISHING INCOME-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $303,519,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SUBSIDIARY RIGHTS (TOTL)	7286	2.4	3785	5.5	1059	1.1	2159	2.5
REPRINT	394	0.1	304	0.4	80	0.1	4	0.0
BOOK CLUB	563	0.2	359	0.5	122	0.1	82	0.1
PERMISSIONS	233	0.1	83	0.1	81	0.1	33	0.0
FOREIGN & TRANSLATION	5307	1.8	3005	4.4	768	0.8	1515	1.8
OTHER	541	0.2	15	0.0	8	0.0	517	0.6
UNSPECIFIED	248		18		0		8	
GENERAL	3339	1.1	621	0.9	149	0.2	2530	3.0
TOTAL OTHER INCOME	10625	3.5	4407	6.5	1208	1.3	4689	5.5

TABLE B9 - EDITORIAL EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $336,228,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
EDITORIAL EXPENSE								
SALARIES	15994	4.8	3179	3.1	6391	6.3	6253	4.9
BENEFITS	2972	0.9	614	0.6	1269	1.2	1063	0.8
OUTSIDE EDITORIAL EXP	1895	0.6	766	0.7	240	0.2	889	0.7
TRAVEL & ENTERTAINMNT	1835	0.5	485	0.5	315	0.3	978	0.8
OTHER	4162	1.2	1082	1.1	1397	1.4	1631	1.3
TOTAL EDITORIAL EXPENSE	26857	8.0	6126	6.0	9612	9.4	10813	8.5

TABLE B10 - PRODUCTION EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 1o PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $346,984,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PRODUCTION EXPENSE								
SALARIES	8640	2.5	2879	2.9	3261	3.2	2184	1.7
BENEFITS	1783	0.5	585	0.6	633	0.6	501	0.4
OUTSIDE PRODUCT'N EXP	127	0.0	55	0.1	15	0.0	27	0.0
OTHER	215	0.1	547	0.6	-874	-0.9	438	0.3
TOTAL PRODUCTION EXPENSE	10764	3.1	4067	4.1	3035	3.0	3150	2.4

TABLE B11 - MARKETING EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 17 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $350,740,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SELLING EXPENSE								
SALESMEN'S SALARIES & COMMISSIONS	8987	2.6	1870	1.8	3147	3.1	3969	3.1
SALESMEN'S BENEFITS	1347	0.4	339	0.3	580	0.6	429	0.3
SALESMEN'S TRAVEL & ENTERTAINMENT	2316	0.7	466	0.5	726	0.7	1124	0.9
DEPARTMENTAL SALARIES	4618	1.3	807	0.8	197	0.2	3333	2.6
DEPARTMENTAL BENEFITS	864	0.2	151	0.1	58	0.1	654	0.5
DEPARTMENTAL TRAVEL & ENTERTAINMENT	985	0.3	168	0.2	37	0.0	781	0.6
OTHER	7740	2.2	3130	3.1	2528	2.5	2082	1.6
TOTAL SELLING EXPENSE	26857	7.7	6931	6.8	7273	7.1	12372	9.6
PROMOTION								
DEPARTMENTAL SALARIES	7537	2.1	2447	2.4	2244	2.2	2011	1.6
BENEFITS	1608	0.5	559	0.5	492	0.5	391	0.3
SPACE ADVERTISING	2189	0.6	989	1.0	399	0.4	736	0.6
CATALOGS & DIRECT MAIL (TOTAL)	18436	5.3	6597	6.5	3951	3.9	7678	5.9
CATALOGS	2669	0.8	982	1.0	1355	1.3	303	0.2
DIRECT MAIL	15492	4.4	5484	5.4	2596	2.5	7375	5.7
UNSPECIFIED	276		132		0		0	
PUBLICITY	736	0.2	1	0.0	23	0.0	11	0.0
FREE COPIES	4801	1.4	1025	1.0	379	0.4	3201	2.5
EXHIBITS	2070	0.6	695	0.7	132	0.1	948	0.7
OTHER	6357	1.8	2841	2.8	1721	1.7	1740	1.3
TOTAL PROMOTION EXPENSE	43734	12.5	15155	14.8	9342	9.2	16716	12.9
TOTAL MARKETING EXPENSE	70591	20.1	22085	21.6	16616	16.3	29088	22.4

TABLE B12 - FULFILLMENT EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS

8 PUBLISHERS WITH NET SALES OF $233,406,000 -- INTERNAL FACILITIES	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING								
SALARIES	2768	1.2	1369	1.7	611	0.6	788	1.5
BENEFITS	620	0.3	295	0.4	146	0.1	179	0.3
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	3103	1.3	1674	2.1	1010	1.0	419	0.8
EQUIPMENT & SUPPLIES	549	0.2	225	0.3	144	0.1	181	0.3
OTHER	447	0.2	288	0.4	68	0.1	92	0.2
TOTAL ORDER PROCESSING	7487	3.2	3850	4.8	1979	1.9	1659	3.2
SHIPPING & WAREHOUSING								
SALARIES	3247	1.4	1674	2.1	643	0.6	931	1.8
BENEFITS	673	0.3	343	0.4	140	0.1	190	0.4
OCCUPANCY	1806	0.8	801	1.0	423	0.4	582	1.1
EQUIPMENT & SUPPLIES	559	0.2	203	0.3	152	0.1	204	0.4
TRANSPORTATION CHRGES	287	0.1	84	0.1	67	0.1	136	0.3
OTHER	207	0.1	127	0.2	14	0.0	67	0.1
TOTAL SHIPPING AND WAREHOUSING	6778	2.9	3231	4.1	1438	1.4	2108	4.1
TOTAL FULFILLMENT EXP. OF PUBLISHERS UTILIZING INTERNAL FACILITIES	14265	6.1	7080	8.9	3417	3.3	3768	7.3

THOUSANDS OF DOLLARS

7 PUBLISHERS WITH NET SALES OF $96,507,000 -- SPLIT FACILITIES	ALL PUBLISHERS	
	$	PCT-NET SALES
ORDER PROCESSING		
SALARIES	1251	1.3
BENEFITS	210	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	182	0.2
EQUIPMENT & SUPPLIES	91	0.1
OTHER	155	0.2
TOTAL ORDER PROCESSING	1889	2.0
SHIPPING & WAREHOUSING		
SALARIES	665	0.7
BENEFITS	150	0.2
OCCUPANCY	613	0.6
EQUIPMENT & SUPPLIES	38	0.0
TRANSPORTATION CHRGES	37	0.0
OTHER	-161	-0.2

Continued...

	ALL PUBLISHERS	
	$	PCT-NET SALES
TOTAL SHIPPING AND WAREHOUSING	1341	1.4
TOTAL FULFILLMENT EXP. UTILIZING INTERNAL FACILITIES	3230	3.3
ORDER PROCESSING	311	0.3
SHIPPING & WAREHOUSING	975	1.0
TOTAL FULFILLMENT EXP. EMPLOYING OUTSIDE SERVICES	1286	1.3
TOTAL FULFILLMENT EXPENSE	4516	4.7

TABLE B13 - GENERAL AND ADMINISTRATIVE EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 17 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $254,820,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
MANAGEMENT SALARIES	4626	1.8	1804	2.3	916	2.9	1695	1.4
MANAGEMENT BENEFITS	933	0.4	453	0.6	197	0.6	236	0.2
ACCOUNTING SALARIES	3313	1.3	1078	1.4	326	1.0	1467	1.2
ACCOUNTING BENEFITS	822	0.3	265	0.3	83	0.3	338	0.3
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	2707	1.1	610	0.8	204	0.6	1595	1.3
GENERAL OFFICE BENEFITS	747	0.3	219	0.3	51	0.2	364	0.3
GENERAL TRAVEL AND ENTERTAINMENT	796	0.3	212	0.3	186	0.6	377	0.3
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	5001	2.0	1662	2.1	245	0.8	2536	2.0
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	5649	2.2	2928	3.7	684	2.1	2002	1.6
OTHER TAXES (EXCEPT INC. (& PAYROLL TAXES)	790	0.3	470	0.6	47	0.1	261	0.2
PERSONAL PROP. TAXES	117	0.0	31	0.0	27	0.1	59	0.0
ALL OTHER	640	0.3	431	0.5	15	0.0	182	0.1
UNSPECIFIED	33		8		5		20	
OTHER	9431	3.7	3899	4.9	1106	3.5	4222	3.4
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	34815	13.7	13598	17.2	4047	12.6	15094	12.1

TABLE B14 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE-BY CATEGORY OF PUBLICATION

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $346,505,000

	ALL PUBLISHERS		TECHNICAL AND SCIENTIFIC		BUSINESS AND OTHER PROF'L		MEDICAL	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PENSIONS	611	0.2	244	0.2	297	0.3	-20	-0.0
DEFERRED PROFIT SHARING	380	0.1	156	0.2	34	0.0	190	0.1
HOSPITALIZATION & GROUP INSURANCE	4574	1.3	1685	1.7	1192	1.2	1496	1.2
PAYROLL TAXES	4781	1.4	1544	1.5	1321	1.3	1719	1.4
OTHER	2040	0.6	97	0.1	568	0.6	1193	0.9
TOTAL EMPLOYEE BENEFITS	12387	3.6	3726	3.7	3412	3.3	4578	3.6

TABLE B15 - OPERATING DATA OF PROFESSIONAL BOOK PUBLISHERS-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 19 PUBLISHERS

	ALL PUBLISHERS			7 PUBLISHERS WITH NET SALES UP TO $5 MILLION		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	454306	118.4	114.3 TO 117.7	21599	113.3	110.3 TO 115.4
RETURNS AND ALLOWANCES	70635	18.4	14.3 TO 17.7	2530	13.3	10.3 TO 15.4
NET SALES	383672	100.0	100.0 TO 100.0	19070	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	121359	31.9	28.0 TO 37.4	5355	34.7	25.3 TO 44.6
ROYALTIES	35578	9.4	6.3 TO 11.7	1014	6.6	2.6 TO 11.4
UNSPECIFIED	1494			1494		
TOTAL COST OF SALES	158431	41.3	36.0 TO 49.8	7863	41.2	30.0 TO 51.3
GROSS MARGIN ON SALES	225241	58.7	50.2 TO 64.0	11207	58.8	48.7 TO 70.0
OTHER INCOME	13455	3.5	0.6 TO 3.3	122	0.6	0.2 TO 1.4
OPERATING EXPENSE						
EDITORIAL	33210	8.7	6.2 TO 10.9	1527	8.7	5.1 TO 12.8
PRODUCTION	13423	3.5	1.9 TO 4.3	466	2.6	1.4 TO 5.2
MARKETING	78214	20.5	14.8 TO 23.8	2910	16.5	12.8 TO 19.4
FULFILLMENT	21050	5.5	4.6 TO 8.0	1102	6.3	4.8 TO 8.1
GENERAL & ADMIN.	44290	11.6	9.7 TO 16.6	2930	16.6	10.0 TO 24.7
UNSPECIFIED	744			744		
TOTAL OPERATING EXPENSE	190933	49.8	46.9 TO 57.1	9681	50.8	45.0 TO 58.1
INCOME FROM OPERATIONS*	47762	12.4	2.3 TO 14.5	1648	8.6	1.6 TO 13.5

Continued on page B-15

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

TABLE B15 - OPERATING DATA OF PROFESSIONAL BOOK PUBLISHERS-BY SIZE OF PUBLISHER

Continued from page B-14

	6 PUBLISHERS WITH NET SALES $5 TO $20 MILLION			6 PUBLISHERS WITH NET $ALES ABOVE $20 MILLION		
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES	
		%	MID-RANGE		%	MID-RANGE
GROSS SALES	113231	118.9	116.5 TO 122.2	319476	118.6	114.1 TO 121.6
RETURNS AND ALLOWANCES	17977	18.9	16.5 TO 22.2	50128	18.6	14.1 TO 21.6
NET SALES	95254	100.0	100.0 TO 100.0	269348	100.0	100.0 TO 100.0
COST OF SALES						
MANUFACTURING	30112	31.6	26.9 TO 35.2	85892	31.9	27.9 TO 38.8
ROYALTIES	10297	10.8	7.0 TO 13.6	24267	9.0	7.3 TO 12.3
UNSPECIFIED	0			0		
TOTAL COST OF SALES	40409	42.4	36.6 TO 46.0	110159	40.9	34.3 TO 50.9
GROSS MARGIN ON SALES	54845	57.6	54.0 TO 63.4	159189	59.1	49.1 TO 65.7
OTHER INCOME	3747	3.9	1.5 TO 7.1	9586	3.6	0.7 TO 6.7
OPERATING EXPENSE						
EDITORIAL	10023	10.5	7.3 TO 12.1	21660	8.0	5.1 TO 10.8
PRODUCTION	2210	2.3	1.1 TO 3.2	10747	4.0	2.9 TO 5.0
MARKETING	19516	20.5	18.6 TO 24.1	55788	20.7	20.0 TO 25.0
FULFILLMENT	6368	6.7	5.1 TO 8.9	13580	5.0	3.7 TO 7.1
GENERAL & ADMIN.	12907	13.6	8.7 TO 17.0	28453	10.6	8.8 TO 15.3
UNSPECIFIED	0			0		
TOTAL OPERATING EXPENSE	51024	53.6	46.5 TO 59.3	130228	48.3	46.4 TO 57.3
INCOME FROM OPERATIONS*	7568	7.9	1.1 TO 16.6	38547	14.3	2.4 TO 33.2

TABLE B16 - MANUFACTURING EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $289,229,000

	ALL PUBLISHERS		4 PUBLISHERS WITH NET SALES UP TO $5 MILLION		5 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		4 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
BEGINNING INVENTORY	65610	22.7	4603	34.6	18918	24.3	42088	21.3
PURCHASES (TOTAL)	103584	35.8	4643	34.9	26311	33.8	72631	36.7
PLANT COSTS	31506	12.8	965	7.3	7285	10.5	23257	14.1
PAPER, PRINTING & BINDING	56886	23.0	3678	27.7	16138	23.3	37070	22.5
UNSPECIFIED	15192		0		2888		12305	
COST OF FREE BOOKS	2486	0.9	273	2.1	677	0.9	1535	0.8
WRITE DOWNS	10486	3.6	893	6.7	4114	5.3	5479	2.8
ENDING INVENTORY AFTER WRITE DOWNS	70853	24.5	4040	30.4	20003	25.7	46810	23.6
TOTAL MANUFACTURING EXP.	95855	33.1	4933	37.1	24548	31.5	66374	33.5

See also the discussion following **Table B-6.**

TABLE B17 - ROYALTY EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $306,215,000

	ALL PUBLISHERS		5 PUBLISHERS WITH NET SALES UP TO $5 MILLION		6 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		4 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ROYALTIES PAID	27184	8.9	1018	7.9	10155	10.6	16011	8.0
FEES IN LIEU OF ROYALTIES	199	0.1	0	0.0	63	0.1	136	0.1
ADVANCES WRITTEN OFF	367	0.1	0	0.0	82	0.1	285	0.2
TOTAL ROYALTIES	27750	9.1	1018	7.9	10300	10.8	16432	8.3

TABLE B18 - EDITORIAL EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $336,228,000

	ALL PUBLISHERS		6 PUBLISHERS WITH NET SALES UP TO $5 MILLION		5 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		5 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
EDITORIAL EXPENSE								
SALARIES	15994	4.8	800	5.1	5041	6.2	10152	4.3
BENEFITS	2972	0.9	134	0.9	776	1.0	2062	0.9
OUTSIDE EDITORIAL EXP	1895	0.6	231	1.5	939	1.2	724	0.3
TRAVEL & ENTERTAINMNT	1835	0.5	137	0.9	546	0.7	1152	0.5
OTHER	4162	1.2	225	1.4	1675	2.1	2261	1.0
TOTAL EDITORIAL EXPENSE	26857	8.0	1528	9.7	8977	11.1	16352	6.9

TABLE B19 - PRODUCTION EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $346,984,000

	ALL PUBLISHERS		5 PUBLISHERS WITH NET SALES UP TO $5 MILLION		6 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		5 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PRODUCTION EXPENSE								
SALARIES	8640	2.5	245	1.8	1590	1.7	6805	2.9
BENEFITS	1783	0.5	52	0.4	291	0.3	1440	0.6
OUTSIDE PRODUCT'N EXP	127	0.0	65	0.5	38	0.0	24	0.0
OTHER	215	0.1	106	0.8	312	0.3	-204	-0.1
TOTAL PRODUCTION EXPENSE	10764	3.1	468	3.4	2232	2.3	8065	3.4

TABLE B20 - MARKETING EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 17 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $350,740,000

	ALL PUBLISHERS		6 PUBLISHERS WITH NET SALES UP TO $5 MILLION		6 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		5 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SELLING EXPENSE								
SALESMEN'S SALARIES & COMMISSIONS	8987	2.6	222	1.3	1692	1.8	7073	3.0
SALESMEN'S BENEFITS	1347	0.4	7	0.0	139	0.1	1201	0.5
SALESMEN'S TRAVEL & ENTERTAINMENT	2316	0.7	24	0.1	315	0.3	1977	0.8
DEPARTMENTAL SALARIES	4618	1.3	377	2.2	1477	1.6	2764	1.2
DEPARTMENTAL BENEFITS	864	0.2	78	0.4	155	0.2	631	0.3
DEPARTMENTAL TRAVEL & ENTERTAINMENT	985	0.3	42	0.2	211	0.2	733	0.3
OTHER	7740	2.2	166	0.9	1509	1.6	6064	2.5
TOTAL SELLING EXPENSE	26857	7.7	916	5.2	5499	5.8	20442	8.6
PROMOTION								
DEPARTMENTAL SALARIES	7537	2.1	164	0.9	1904	2.0	5470	2.3
BENEFITS	1608	0.5	27	0.2	356	0.4	1224	0.5
SPACE ADVERTISING	2189	0.6	276	1.6	307	0.3	1606	0.7
CATALOGS & DIRECT MAIL (TOTAL)	18436	5.3	811	4.6	7373	7.7	10253	4.3
CATALOGS	2669	0.8	194	1.1	762	0.8	1712	0.7
DIRECT MAIL	15492	4.4	484	2.8	6467	6.8	8541	3.6
UNSPECIFIED	276		132		144		0	
PUBLICITY	736	0.2	3	0.0	733	0.8	0	0.0
FREE COPIES	4801	1.4	417	2.4	694	0.7	3690	1.6
EXHIBITS	2070	0.6	132	0.8	840	0.9	1098	0.5
OTHER	6357	1.8	172	1.0	1809	1.9	4376	1.8
TOTAL PROMOTION EXPENSE	43734	12.5	2002	11.4	14017	14.7	27716	11.6
TOTAL MARKETING EXPENSE	70591	20.1	2918	16.7	19516	20.5	48158	20.2

TABLE B21 - FULFILLMENT EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS

8 PUBLISHERS WITH NET SALES OF $233,406,000 -- INTERNAL FACILITIES	ALL PUBLISHERS		2 PUBLISHERS WITH NET SALES UP TO $5 MILLION		2 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		4 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING								
SALARIES	2768	1.2					2104	1.1
BENEFITS	620	0.3					455	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	3103	1.3					2473	1.2
EQUIPMENT & SUPPLIES	549	0.2					341	0.2
OTHER	447	0.2					395	0.2
TOTAL ORDER PROCESSING	7487	3.2					5768	2.9
SHIPPING & WAREHOUSING								
SALARIES	3247	1.4					2855	1.4
BENEFITS	673	0.3					584	0.3
OCCUPANCY	1806	0.8					1322	0.7
EQUIPMENT & SUPPLIES	559	0.2					374	0.2
TRANSPORTATION CHRGES	287	0.1					155	0.1
OTHER	207	0.1					192	0.1
TOTAL SHIPPING AND WAREHOUSING	6778	2.9					5482	2.8
TOTAL FULFILLMENT EXP. OF PUBLISHERS UTILIZING INTERNAL FACILITIES	14265	6.1					11250	5.7

Data for publishers with Net Sales Up To $5 Million, and for Publishers with Net Sales $5-$20 Million have been suppressed to prevent disclosure.

TABLE B22 - GENERAL AND ADMINISTRATIVE EXPENSE-BY SIZE OF PUBLISHER

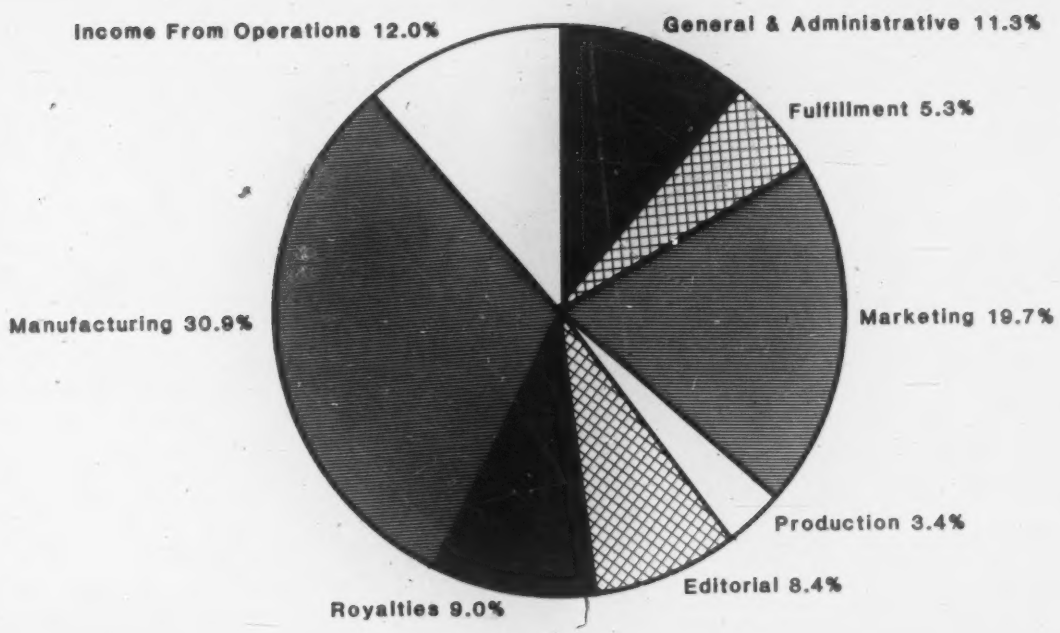
THOUSANDS OF DOLLARS - AS REPORTED BY 17 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $254,820,000

	ALL PUBLISHERS		7 PUBLISHERS WITH NET SALES UP TO $5 MILLION		6 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		4 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
MANAGEMENT SALARIES	4626	1.8	669	3.5	1721	1.8	2236	1.6
MANAGEMENT BENEFITS	933	0.4	203	1.1	223	0.2	508	0.4
ACCOUNTING SALARIES	3313	1.3	332	1.7	1493	1.6	1487	1.1
ACCOUNTING BENEFITS	822	0.3	116	0.6	344	0.4	362	0.3
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	2707	1.1	415	2.2	867	0.9	1425	1.0
GENERAL OFFICE BENEFITS	747	0.3	141	0.7	205	0.2	400	0.3
GENERAL TRAVEL AND ENTERTAINMENT	796	0.3	76	0.4	262	0.3	458	0.3
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	5001	2.0	22	0.1	2443	2.6	2536	1.8
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	5649	2.2	538	2.8	1576	1.7	3535	2.5
OTHER TAXES (EXCEPT INC. & PAYROLL TAXES)	790	0.3	56	0.3	247	0.3	487	0.3
PERSONAL PROP. TAXES	117	0.0	17	0.1	74	0.1	27	0.0
ALL OTHER	640	0.3	11	0.1	174	0.2	455	0.3
UNSPECIFIED	33		28		0		5	
OTHER	9431	3.7	693	3.6	3524	3.7	5213	3.7
TOTAL GENERAL & ADMINISTRATIVE EXPENSE	34815	13.7	3260	17.1	12907	13.6	18647	13.3

TABLE B23 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE-BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS OF PROFESSIONAL BOOKS, WITH TOTAL NET SALES OF $346,505,000

	ALL PUBLISHERS		5 PUBLISHERS WITH NET SALES UP TO $5 MILLION		6 PUBLISHERS WITH NET SALES $5 TO $20 MILLION		5 PUBLISHERS WITH NET SALES ABOVE $20 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PENSIONS	611	0.2	111	0.8	268	0.3	233	0.1
DEFERRED PROFIT SHARING	380	0.1	3	0.0	0	0.0	377	0.2
HOSPITALIZATION & GROUP INSURANCE	4574	1.3	321	2.4	1161	1.2	3092	1.3
PAYROLL TAXES	4781	1.4	143	1.1	1327	1.4	3312	1.4
OTHER	2040	0.6	16	0.1	249	0.3	1775	0.7
TOTAL EMPLOYEE BENEFITS	12387	3.6	595	4.5	3005	3.2	8788	3.7



Based on data reported in Table B5
Income (100%) Equals Net Sales (96.6%) plus Other Income (3.4%)

FIGURE B2 - 1987 DISPOSITION OF INCOME BY PROFESSIONAL PUBLISHERS

TABLE B24 - EMPLOYEE DATA

AS REPORTED BY 16 PUBLISHERS OF PROFESSIONAL BOOKS, EMPLOYING 2,467 TOTAL STAFF (NET SALES PER EMPLOYEE -- $134,285)

	PERCENT OF TOTAL	
	AVERAGE	MID-RANGE
EDITORIAL	28.0	17.5 TO 35.1
PRODUCTION	17.5	7.7 TO 21.1
MARKETING (TOTAL)	24.6	18.5 TO 32.0
SALESMEN	8.2	4.3 TO 11.5
SALES DEPARTMENT	6.4	6.1 TO 15.5
PROMOTION	7.9	7.7 TO 9.1
UNSPECIFIED	2.1	
FULFILLMENT (TOTAL)	14.4	11.3 TO 30.0
ORDER PROCESSING	8.4	5.1 TO 27.3
SHIPPING & WAREHOUS'G	4.7	2.5 TO 11.5
UNSPECIFIED	1.2	
ADMINISTRATIVE MANAGEM'T	3.6	2.3 TO 11.6
GENERAL OFFICE	10.1	5.6 TO 15.7
OTHER	1.7	2.7 TO 5.2
EMPLOYEES PER $100,000 SALES	0.7	0.1 TO 2.2

TABLE B25 - BILLINGS AND RECEIVABLES

OF PROFESSIONAL BOOK PUBLISHERS

	NUMBER OF PUBL. REP'TG	AMOUNT
NET SALES ($000)	11	227117
NUMBER OF INVOICES ANNUALLY (000)	8	773
AVERAGE INV. VALUE-$		120.47
NUMBER OF CREDIT MEMOS ANNUALLY (000)		113
ACC'TS RECEIVABLE (AT YEAR END - $000)	11	51143
A/R AS PCT OF NET SLS		22.5
ACC'TS RECEIVABLE - AGED TOTAL ($000)	9	45292
PCT. CURRENT		57.7
PCT. PAST DUE		
1-30 DAYS		22.4
31-60 DAYS		6.2
61 DAYS & OVER		13.6
BAD DEBT RESERVE ($000)	10	4699
PCT. OF NET SALES		2.1
PCT. OF ACC'TS RECE.		9.3
BAD DEBT LOSSES ($000)	10	1277
PCT. OF NET SALES		0.6
PCT. OF ACC'TS RECE.		2.7
AVERAGE COLLECTION PERIOD (DAYS)	9	82
RANGE (DAYS)		56-101

TABLE B26 - INVENTORY TURNOVER

OF PROFESSIONAL BOOK PUBLISHERS

	NUMBER OF PUBL. REP'TS	NET SALES ($000)	INV. TURN-OVER
TECHNICAL & SCIENTIFIC	7	85101	1.1
BUSINESS & OTHER PROF'L	6	102103	2.2
MEDICAL	8	67331	1.5
SALES UP TO $5 MILLION	4	13286	1.1
SALES $5 TO $20 MILLION	5	77890	1.3
SALES ABOVE $20 MILLION	4	198053	1.5

In **Table B26** inventory turnover is established by dividing Total Manufacturing Cost by the average of Beginning Inventory and Ending Inventory After Writedowns. For pertinent definitions, refer to pages B1 and B2 of Operating Data Questionnaire Form B. Also please note the text comments on plant costs and plant cost treatment following **Table B6.**

In comparing his own inventory turnover with that reported here, a publisher should bear in mind not only the possible impact of plant cost treatment on inventory values, but also the variations in such values resulting from differing writedown policies. Most writedown practices in the industry must, perforce, be based on the subjective judgement of market values, reflecting varying life expectancies and turnover of product lines and individual titles. A publisher must keep his own sales patterns in mind, therefore, when making the comparison.

SECTION C - MASS MARKET PAPERBACK PUBLISHERS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM C (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

Table C1 provides a sales summary based on data reported by 10 rack-sized book publishers and by 8 non-rack-sized publishers.

These publishers of mass market paperbacks reported net sales of $988.5 million to this 1987 Survey. Of these sales $874.7 million were in rack-sized books (i.e. books measuring 4-1/4" x 7-1/8") and $113.8 million were in non-rack-sized books (including a range of paperback books, smaller and larger than rack-sized, but excluding non-book products.) Based on the estimates of industry sales in **Table S1** and its accompanying footnotes, the participating publishers appear to represent some 90.4% of this industry segment.

Table C2 provides a breakdown of these sales by type of customer. **Table C3** and subsequent tables are devoted to reporting operating, balance sheet, and employee data.

TABLE C1 - SALES OF MASS MARKET PAPERBACKS

MILLIONS OF DOLLARS AND UNITS - AS REPORTED BY 10 PUBLISHERS

A. RACK-SIZED BOOKS	1987			1986			PERCENT CHANGE 87/86		
	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT
GROSS SALES	1451.9	702.6	2.066	1312.6	698.0	1.881	10.6	0.7	9.8
CREDITED RETURNS	577.2	281.4	2.051	536.9	283.1	1.897	7.5	-0.6	8.1
NET SALES	874.7	421.2	2.076	755.7	414.9	1.870	12.8	1.5	11.0
PERCENT RETURNS TO GROSS	39.8	40.1		40.9	40.6		-2.7	-1.2	

	1985			PERCENT CHANGE 87/85			PERCENT CHANGE 86/85		
	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT
GROSS SALES	1265.4	697.0	1.815	14.7	0.8	13.8	3.7	0.1	3.6
CREDITED RETURNS	499.2	287.7	1.735	15.6	-2.2	18.2	7.6	-1.6	9.3
NET SALES	766.2	409.3	1.872	14.2	2.9	10.9	1.2	1.4	-0.1
PERCENT RETURNS TO GROSS	39.4	41.3		1.0	-2.9		3.8	-1.7	

Continued on page C-2

TABLE C1 - SALES OF MASS MARKET PAPERBACKS

Continued from page C-1

MILLIONS OF DOLLARS AND UNITS - AS REPORTED BY 8 PUBLISHERS

B. NON-RACK-SIZED BOOKS	1987			1986			PERCENT CHANGE 87/86		
	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT
GROSS SALES	146.8	47.9	3.063	129.5	44.3	2.925	13.4	8.2	4.7
CREDITED RETURNS	33.1	10.7	3.091	32.5	9.4	3.444	1.6	13.3	-10.2
NET SALES	113.8	37.2	3.056	97.0	34.8	2.784	17.3	6.9	9.8
PERCENT RETURNS TO GROSS	22.5	22.3		25.1	21.3		-10.4	4.7	

	1985			PERCENT CHANGE 87/85			PERCENT CHANGE 86/85		
	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT	$	UNITS	$ AVG. PER UNIT
GROSS SALES	128.9	44.8	2.875	13.9	6.9	6.5	0.4	-1.3	1.7
CREDITED RETURNS	32.7	10.3	3.172	1.0	3.7	-2.6	-0.6	-8.5	8.6
NET SALES	96.2	34.5	2.786	18.3	7.8	9.7	0.8	0.9	-0.1
PERCENT RETURNS TO GROSS	25.4	23.0		-11.4	-3.0		-1.2	-7.4	

TABLE C2a - SALES OF RACK-SIZED MASS MARKET PAPERBACKS-BY TYPE OF CUSTOMER

THOUSANDS OF DOLLARS AND UNITS AS REPORTED BY 10 PUBLISHERS

RACK-SIZED BOOKS 1987	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	551986	263165	2.097						
REORDERS	173388	86897	1.995						
TOTAL WHOLESALERS	725374	350062	2.072	392075	194780	2.013	333299	155282	2.146
DIRECT ACCOUNTS									
JOBBERS	210053	99100	2.120	58675	28815	2.036	151378	70285	2.154
RETAILERS	377900	166983	2.263	113111	50925	2.221	264789	116058	2.282
EXPORT & MILITARY	20236	13408	1.509	3026	1768	1.712	17210	11640	1.479
TOTAL DIRECT	608189	279491	2.176	174812	81508	2.145	433377	197983	2.189
SPECIAL SALES	118307	73079	1.619	10309	5117	2.015	107998	67962	1.589
TOTAL	1451870	702632	2.066	577196	281405	2.051	874674	421227	2.076
WEIGHTED AVERAGE COVER PRICE ($)	3.365								

Continued on page C-3

TABLE C2a - SALES OF RACK-SIZED MASS MARKET PAPERBACKS-BY TYPE OF CUSTOMER

Continued from page C-2

RACK-SIZED BOOKS 1986	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	545346	278155	1.961						
REORDERS	139557	74637	1.870						
TOTAL WHOLESALERS	684903	352792	1.941	367257	194872	1.885	317646	157920	2.011
DIRECT ACCOUNTS									
JOBBERS	174563	95325	1.831	48176	25724	1.873	126387	69601	1.816
RETAILERS	340486	174038	1.956	110528	56179	1.967	229958	117859	1.951
EXPORT & MILITARY	19900	15664	1.270	4783	3060	1.563	15117	12604	1.199
TOTAL DIRECT	534949	285027	1.877	163487	84963	1.924	371462	200064	1.857
SPECIAL SALES	92731	60142	1.542	6166	3239	1.904	86565	56903	1.521
TOTAL	1312583	697961	1.881	536910	283074	1.897	775673	414887	1.870
WEIGHTED AVERAGE COVER PRICE ($)	3.241								

RACK-SIZED BOOKS 1985	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	515619	276183	1.867						
REORDERS	143639	80642	1.781						
TOTAL WHOLESALERS	659258	356825	1.848	347873	203784	1.707	311385	153041	2.035
DIRECT ACCOUNTS									
JOBBERS	160300	90146	1.778	41189	24127	1.707	119111	66019	1.804
RETAILERS	360029	188721	1.908	102438	54793	1.870	257591	133928	1.923
EXPORT & MILITARY	20038	15999	1.252	4517	3226	1.400	15521	12773	1.215
TOTAL DIRECT	540367	294866	1.833	148144	82146	1.803	392223	212720	1.844
SPECIAL SALES	65726	45301	1.451	3148	1743	1.806	62578	43558	1.437
TOTAL	1265351	696992	1.815	499165	287673	1.735	766186	409319	1.872
WEIGHTED AVERAGE COVER PRICE ($)	3.118								

WEIGHTED AVERAGE COVER PRICE

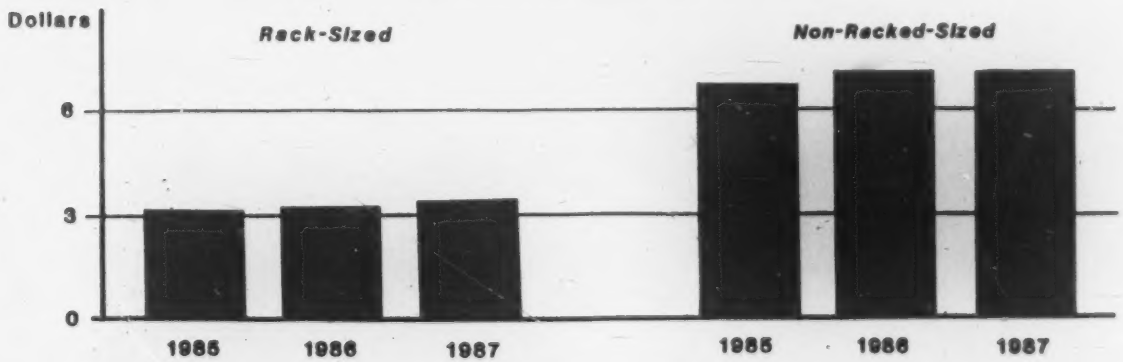


TABLE C2b - SALES OF NON-RACK-SIZED MASS MARKET PAPERBACKS-BY TYPE OF CUSTOMER

THOUSANDS OF DOLLARS AND UNITS AS REPORTED BY 8 PUBLISHERS

NON-RACK-SIZED BOOKS 1987	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	21960	6228	3.526						
REORDERS	7410	2663	2.783						
TOTAL WHOLESALERS	29370	8891	3.303	12050	4250	2.835	17320	4641	3.732
DIRECT ACCOUNTS									
JOBBERS	34244	10979	3.119	5925	2032	2.916	28319	8947	3.165
RETAILERS	75577	22105	3.419	14751	4260	3.463	60826	17845	3.409
EXPORT & MILITARY	2647	1348	1.964	235	130	1.808	2412	1218	1.980
TOTAL DIRECT	112469	34432	3.266	20910	6422	3.256	91559	28010	3.269
SPECIAL SALES	4977	4602	1.081	95	22	4.318	4882	4580	1.066
TOTAL	146816	47925	3.063	33055	10695	3.091	113761	37230	3.056
WEIGHTED AVERAGE COVER PRICE ($)	7.094								

NON-RACK-SIZED BOOKS 1986	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	17416	4955	3.515						
REORDERS	9344	4301	2.173						
TOTAL WHOLESALERS	26760	9256	2.891	10220	3557	2.873	16540	5699	2.902
DIRECT ACCOUNTS									
JOBBERS	29520	10937	2.699	7372	1961	3.759	22148	8976	2.467
RETAILERS	66134	21003	3.149	14188	3617	3.923	51946	17386	2.988
EXPORT & MILITARY	2155	823	2.618	344	113	3.044	1811	710	2.551
TOTAL DIRECT	97809	32762	2.985	21903	5691	3.849	75906	27071	2.804
SPECIAL SALES	4935	2260	2.184	397	194	2.046	4538	2066	2.197
TOTAL	129504	44278	2.925	32520	9442	3.444	96984	34836	2.784
WEIGHTED AVERAGE COVER PRICE ($)	7.164								

NON-RACK-SIZED BOOKS 1985	GROSS SALES			CREDITED RETURNS			NET SALES		
	$	UNITS	$/UNIT	$	UNITS	$/UNIT	$	UNITS	$/UNIT
WHOLESALERS-U.S., CANADA									
NEW RELEASES	17391	5526	3.147						
REORDERS	9769	4139	2.360						
TOTAL WHOLESALERS	27160	9665	2.810	11613	3897	2.980	15547	5768	2.695
DIRECT ACCOUNTS									
JOBBERS	28479	10777	2.643	6184	1915	3.229	22295	8862	2.516
RETAILERS	68489	21721	3.153	13944	4011	3.476	54545	17710	3.080
EXPORT & MILITARY	2247	1070	2.100	387	201	1.925	1860	869	2.140
TOTAL DIRECT	99214	33569	2.956	20514	6127	3.348	78700	27442	2.868
SPECIAL SALES	2552	1611	1.584	599	292	2.051	1953	1319	1.481
TOTAL	128926	44845	2.875	32726	10316	3.172	96200	34529	2.786
WEIGHTED AVERAGE COVER PRICE ($)	6.692								

TABLE C3a - OPERATING DATA OF MASS MARKET PAPERBACK PUBLISHERS (RACK-SIZED BOOKS ONLY)

THOUSANDS OF DOLLARS - AS REPORTED BY 4 PUBLISHERS

	1987			1986		
	$	PERCENT OF GROSS SALES		$	PERCENT OF GROSS SALES	
		%	RANGE		%	RANGE
REVENUES						
GROSS SALES	430257	100.0	100.0 TO 100.0	390720	100.0	100.0 TO 100.0
INCENTIVES	3327	0.8	0.3 TO 2.7	4054	1.0	0.5 TO 2.9
RETURNS & ALLOW. - CREDITED	172950	40.2	33.3 TO 52.6	164303	42.1	34.9 TO 47.8
ADD'L PROVISION	-2566	-0.6	-3.0 TO 2.7	550	0.1	-0.6 TO 8.2
ALLOWANCES	8522	2.0	-0.3 TO 5.8	1077	0.3	-0.0 TO 0.8
TOTAL INCENTIVES & RETURNS	182233	42.4	33.2 TO 55.8	169984	43.5	37.2 TO 53.6
NET SALES	248024	57.6	44.2 TO 66.8	220736	56.5	46.4 TO 62.8
COST OF SALES						
COST OF GOODS MANUFACTURED & SOLD	81896	19.0	17.4 TO 19.5	74119	19.0	17.8 TO 19.9
ROYALTIES	67775	15.8	8.9 TO 16.2	61103	15.6	5.8 TO 17.8
FREIGHT & DUTY	9734	2.3	2.2 TO 4.1	9157	2.3	3.0 TO 4.2
TOTAL COST OF SALES	159405	37.0	28.5 TO 39.0	144379	37.0	27.4 TO 39.7
GROSS PROFIT	88619	20.6	15.7 TO 27.8	76357	19.5	16.6 TO 23.1
EXPENSES						
EDITORIAL	4402	1.0	0.4 TO 1.5	4733	1.2	0.5 TO 1.3
PRODUCTION	3040	0.7	0.5 TO 0.8	2846	0.7	0.5 TO 0.9
PROMOTION AND PUBLICITY	16991	3.9	2.6 TO 5.1	16741	4.3	3.3 TO 6.2
ALL OTHER EXPENSE OR (INCOME) NET	47271	11.0	6.3 TO 15.3	41611	10.6	7.0 TO 13.6
TOTAL EXPENSE	71704	16.7	12.4 TO 22.8	65931	16.9	12.0 TO 20.8
INCOME BEFORE TAX, INTEREST EXPENSE & MANAGEMENT FEES*	16915	3.9	2.9 TO 5.0	10426	2.7	1.0 TO 4.6

In addition to the tabular data reported in Table C3a, Gross Sales Units were estimated to be 218,706,000 in 1987 and 208,389,000 in 1986, while Returns Units were estimated at 94,664,000 in 1987 and 93,610,000 in 1986.

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

TABLE C3b - REVENUES AND COST OF SALES OF NON-RACK-SIZED BOOK PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 3 PUBLISHERS

	1987			1986		
	$	PERCENT OF GROSS SALES		$	PERCENT OF GROSS SALES	
		%	RANGE		%	RANGE
REVENUES						
GROSS SALES	76022	100.0	100.0 TO 100.0	66235	100.0	100.0 TO 100.0
INCENTIVES	0	0.0		0	0.0	
RETURNS & ALLOW. -						
CREDITED	19960	26.3	22.7 TO 34.4	18265	27.6	21.1 TO 28.7
ADD'L PROVISION	-574	-0.8		-1169	-1.8	
ALLOWANCES	567	0.7	0.2 TO 3.7	1677	2.5	0.0 TO 18.7
TOTAL INCENTIVES & RETURNS	19953	26.2	18.9 TO 38.1	18773	28.3	20.9 TO 39.7
NET SALES	56069	73.8	61.9 TO 81.1	47462	71.7	60.3 TO 79.1
COST OF SALES						
COST OF GOODS MANUFACTURED & SOLD	22445	29.5	24.7 TO 31.9	18912	28.6	26.6 TO 29.4
ROYALTIES	10698	14.1	12.3 TO 17.7	7999	12.1	11.6 TO 13.9
FREIGHT & DUTY	1129	1.5	1.2 TO 1.6	1052	1.6	1.3 TO 1.7
TOTAL COST OF SALES	34273	45.1	38.2 TO 47.0	27963	42.2	40.1 TO 43.3
GROSS PROFIT	21797	28.7	23.7 TO 35.5	19499	29.4	17.0 TO 39.0

In addition to the tabular data reported in Table C3b, Gross Sales Units were estimated to be 18,852,000 in 1987 and 18,446,000 in 1986, while Returns Units were estimated at 4,916,000 in 1987 and 5,030,000 in 1986.

TABLE C4 - RESERVE FOR RETURNS OF MASS MARKET PAPERBACK PUBLISHERS

THOUSANDS OF DOLLARS

	RACK-SIZED BOOKS (4 PUBLISHERS)				NON-RACK-SIZED BOOKS (3 PUBLISHERS)			
	1987		1986		1987		1986	
	$	PCT OF GROSS SALES	$	PCT OF GROSS SALES	$	PCT OF GROSS SALES	$	PCT OF GROSS SALES
GROSS SALES	430257	100.0	390720	100.0	76022	100.0	66235	100.0
NET SALES	248024	57.6	220736	56.5	56069	73.8	47462	71.7
RESERVE FOR RETURNS	71333	16.6	68814	17.6	11945	15.7	11495	17.4

TABLE C5 - EDITORIAL, PRODUCTION, AND MARKETING EXPENSE (RACK-SIZED BOOKS ONLY)

THOUSANDS OF DOLLARS - AS REPORTED BY 4 PUBLISHERS
WITH TOTAL 1987 GROSS SALES OF $430,257,000

	1987				1986			
		PERCENT OF GROSS SALES				PERCENT OF GROSS SALES		
	$	%	MID-RANGE		$	%	MID-RANGE	
EDITORIAL EXPENSE								
SALARIES	2432	0.6	0.3 TO	0.8	2447	0.6	0.4 TO	0.8
BENEFITS	703	0.2	0.1 TO	0.2	640	0.2	0.1 TO	0.2
ALL OTHER	1267	0.3	0.0 TO	0.4	1646	0.4	0.3 TO	0.6
TOTAL EDITORIAL EXPENSE	4402	1.0	0.5 TO	1.4	4733	1.2	0.6 TO	1.3
PRODUCTION EXPENSE								
SALARIES	1713	0.4	0.3 TO	0.5	1568	0.4	0.3 TO	0.5
BENEFITS	500	0.1	0.1 TO	0.2	419	0.1	0.1 TO	0.2
ALL OTHER	828	0.2	0.0 TO	0.3	859	0.2	0.0 TO	0.4
TOTAL PRODUCTION EXPENSE	3040	0.7	0.5 TO	0.8	2846	0.7	0.6 TO	0.9
PROMOTION & PUBLICITY								
SALARIES	1475	0.3	0.2 TO	0.5	1329	0.3	0.2 TO	0.4
BENEFITS	411	0.1	0.1 TO	0.1	342	0.1	0.1 TO	0.1
OUTSIDE MEDIA, POINT OF SALE & PUBLICITY	13447	3.1	2.4 TO	4.6	13504	3.5	2.9 TO	5.4
RACK EXPENSE	689	0.2	0.0 TO	0.2	818	0.2	0.2 TO	0.2
ALL OTHER	969	0.2			748	0.2		
TOTAL PROMOTION AND PUBLICITY	16991	3.9	3.0 TO	5.1	16741	4.3	3.5 TO	5.9

TABLE C6 - EMPLOYEE DATA (ALL PRODUCTS)

AS REPORTED BY 3 MASS MARKET PAPERBACK PUBLISHERS
EMPLOYING 1,185 TOTAL STAFF IN 1987
(1987 GROSS SALES PER EMPLOYEE - $343,957)

	PERCENT OF TOTAL			
	1987		1986	
	%	RANGE	%	RANGE
EDITORIAL	12.6	11.8 TO 12.9	13.2	12.3 TO 13.7
PRODUCTION	4.0	3.8 TO 4.5	4.2	4.0 TO 5.0
ART	3.5	3.1 TO 4.0	3.4	2.9 TO 4.3
MARKETING	23.5	22.0 TO 29.3	24.1	23.2 TO 30.3
FULFILLMENT	41.9	37.9 TO 49.3	40.2	37.1 TO 48.4
GENERAL & ADMINISTRATIVE	14.6	6.7 TO 30.8	14.9	7.0 TO 30.6

SECTION D - BOOK CLUBS AND MAIL ORDER PUBLICATIONS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM D (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

BOOK CLUBS

72 book clubs reported 1987 net sales of $427.3 million to this Survey. Based on **Table S1**, estimated net sales for this segment of the industry were $779.4 million in 1987. Thus the reported sales represent some 54.8% of the total.

Table D1 provides a sales summary and comparison between 1987 and 1986 based on data furnished by participating publishers.

Table D2 shows Gross Sales by Category of Sales; **Table D3** gives a Geographical Distribution of Gross Sales, and **Table D3a** provides Domestic Membership Data for 1987.

TABLE D1 - SALES BY BOOK CLUBS

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 67 CLUBS

	GROSS SALES					
	1987		1986		PERCENT CHANGE	
	$	UNITS	$	UNITS	$	UNITS
12 GENERAL INTEREST BOOK CLUBS	357827	29901	333329	29427	7.3	1.6
55 SPECIAL INTEREST AND PROFESSIONAL CLUBS	150760	16933	150218	18173	0.4	-6.8
TOTAL	508587	46834	483547	47600	5.2	-1.6

	RETURNS					
	1987		1986		PERCENT CHANGE	
	$	UNITS	$	UNITS	$	UNITS
12 GENERAL INTEREST BOOK CLUBS	84995	5907	76693	5331	10.8	10.8
55 SPECIAL INTEREST AND PROFESSIONAL CLUBS	32850	2845	33543	2867	-2.1	-0.8
TOTAL	117845	8752	110236	8198	6.9	6.8

Continued on page D-2

TABLE D1 - SALES BY BOOK CLUBS

Continued from page D-1

	NET SALES					
	1987		1986		PERCENT CHANGE	
	$	UNITS	$	UNITS	$	UNITS
12 GENERAL INTEREST BOOK CLUBS	272832	23994	256636	24096	6.3	-0.4
55 SPECIAL INTEREST AND PROFESSIONAL CLUBS	117910	14088	116675	15306	1.1	-8.0
TOTAL	390742	38082	373311	39402	4.7	-3.4

	1987 PERCENT RETURNS TO GROSS			
	DOLLARS		UNITS	
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE
12 GENERAL INTEREST BOOK CLUBS	23.8		19.8	
55 SPECIAL INTEREST AND PROFESSIONAL CLUBS	21.8	18.7 TO 31.7	16.8	15.2 TO 29.0
TOTAL	23.2	19.6 TO 33.7	18.7	14.9 TO 30.9

	1986 PERCENT RETURNS TO GROSS			
	DOLLARS		UNITS	
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE
12 GENERAL INTEREST BOOK CLUBS	23.0		18.1	
55 SPECIAL INTEREST AND PROFESSIONAL CLUBS	22.3	20.6 TO 29.8	15.8	14.8 TO 22.6
TOTAL	22.8	19.4 TO 29.9	17.2	14.6 TO 22.6

TABLE D2 - GROSS SALES BY BOOK CLUBS-BY CATEGORY OF SALE

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 44 CLUBS

	GROSS SALES		DOLLARS PER UNIT	
	$	UNITS	$-AVG	$-AVG RANGE
ALL SALES	496449	45804	10.84	6.99 TO 26.02
PRIME SELECTIONS	260086	25827	10.07	6.18 TO 44.36
OTHER SALES	218722	17670	12.38	10.81 TO 21.90
BONUSES	17641	2307	7.65	6.13 TO 12.87

TABLE D3 - GEOGRAPHICAL DISTRIBUTION OF GROSS SALES BY BOOK CLUBS

THOUSANDS OF DOLLARS - AS REPORTED BY 67 CLUBS

	DOMESTIC		CANADA		OTHER FOREIGN	
	$	PCT OF SALES	$	PCT OF SALES	$	PCT OF SALES
12 GENERAL INTEREST CLBS	347056	95.8	15148	4.2	0	0.0
55 SPECIAL INTEREST AND PROFESSIONAL CLUBS	146812	97.4	3437	2.3	511	0.3
TOTAL	493868	96.3	18585	3.6	511	0.1

TABLE D3a - DOMESTIC MEMBERSHIP DATA

AS REPORTED BY 44 BOOK CLUBS

	(000)	PCT OF TOTAL
TOTAL MEMBERSHIP	6304	100.0
NEW MEMBERS (1987)	5325	84.5
MEMBERS TERMINATING (1987)	4810	76.3

Operating data for Book Club Publishers (Tables D4 through D7) have been suppressed this year because insufficient data were reported to this survey.

MAIL ORDER PUBLICATIONS

Table D8 provides basic sales information for this segment of the book publishing industry. 1987 net sales of $219.3 million were reported to this Survey, and the industry segment is estimated (Table S1) at $627.4 million. Thus some 35.0% is represented in this table.

TABLE D8 - CONSUMER MAIL ORDER SALES OF MAIL ORDER PUBLICATIONS

THOUSANDS OF DOLLARS - AS REPORTED BY 4 PUBLISHERS

	1987		1986		PCT CHG 87/86		YOUR DATA			
	$	UNITS	$	UNITS	$	UNITS				
GROSS SALES	264536	22160	264841	23577	-0.1	-6.0				
RETURNS	45212	3880	48960	4697	-7.7	-17.4				
NET SALES	219324	18280	215881	18880	1.6	-3.2				
PERCENT RETURNS TO GROSS	17.1	17.5	18.5	19.9						

Operating data for Mail Order Publications (Tables D9 through D13) have been suppressed this year because insufficient data were reported to this survey.

SECTION T - ESTIMATED ELHI AND COLLEGE INDUSTRY SALES

TABLE T1 - ESTIMATED INDUSTRY SALES OF TEXTBOOKS, EDUCATIONAL MATERIALS & STANDARDIZED TESTS

MILLIONS OF DOLLARS

	1972			1977			1982		
	$	INDEX	PCT OF TOTAL SALES	$	INDEX	PCT OF TOTAL SALES	$	INDEX	PCT OF TOTAL SALES
ELHI TEXTBOOKS (TOTAL)	498	100	49.0	756	152	47.2	1052	211	43.7
ELEMENTARY	318	100	31.3	480	151	30.0	667	209	27.7
HIGH SCHOOL	180	100	17.7	276	153	17.2	385	214	16.0
COLLEGE TEXTBOOKS	375	100	36.9	650	173	40.6	1142	304	47.3
AV AND OTHER MEDIA (TTL)	116	100	11.4	151	130	9.4	148	127	6.1
ELHI	101	100	9.9	131	130	8.2	130	129	5.4
COLLEGE	9	100	.9	12	133	.7	8	89	.3
OTHER	6	100	.6	8	133	.5	10	166	.4
STANDARDIZED TESTS	27	100	2.7	45	167	2.8	70	257	2.9
TOTAL	1016	100	100.0	1602	158	100.0	2412	237	100.0

	1984			1986			1987		
	$	INDEX	PCT OF TOTAL SALES	$	INDEX	PCT OF TOTAL SALES	$	INDEX	PCT OF TOTAL SALES
ELHI TEXTBOOKS (TOTAL)	1311	263	46.0	1604	322	48.3	1705	342	48.1
ELEMENTARY	811	255	28.4	997	314	30.0	1067	336	30.1
HIGH SCHOOL	500	278	17.6	607	337	18.3	638	354	18.0
COLLEGE TEXTBOOKS	1279	341	44.9	1410	376	42.4	1521	406	43.0
AV AND OTHER MEDIA (TTL)	175	151	6.1	211	182	6.4	213	184	6.0
ELHI	152	150	5.3	177	175	5.3	175	173	4.9
COLLEGE	9	100	.3	14	155	.4	15	167	.4
OTHER	14	233	.5	20	333	.6	23	383	.7
STANDARDIZED TESTS	86	319	3.0	97	359	2.9	102	378	2.9
TOTAL	2851	281	100.0	3322	327	100.0	3541	349	100.0

With regard to the College Textbook estimate, the reader is referred to **Table G1** and the accompanying discussion.

TEXTBOOK SALES

The textbook-and-materials report is divided into three parts: this brief introductory section which provides industry sales estimates for both school and college publishing; followed by separate, detailed sales and operating data reports for school publishing (**Section F**, beginning on page F-3), and for college publishing (**Section G**, beginning on page G-1).

Total estimated industry textbook and materials sales are shown in **Table T1.** The estimates are based on reports from participating publishers and

(Text continued on page F-2)

TABLE T2 - ESTIMATED DOMESTIC INDUSTRY SALES OF TEXTBOOKS RELATED TO STUDENT ENROLLMENT

THOUSANDS OF STUDENTS AND DOLLARS

	ELEMENTARY					HIGH SCHOOL				
	ENROLLMENT			SALES ($)		ENROLLMENT			SALES ($)	
	PUBLIC	OTHER	TOTAL	TOTAL	PER CAPITA	PUBLIC	OTHER	TOTAL	TOTAL	PER CAPITA
1972	31845	3800	35645	301813	8.47	13909	1300	15209	170320	11.20
1977	29431	3600	33031	458122	13.87	14300	1400	15700	263762	16.80
1982	27156	4200	31356	642994	20.51	12496	1400	13896	358776	25.82
1983	26997	4315	31312	719473	22.97	12355	1400	12355	377074	30.52
1984	26918	4300	31218	765054	24.51	12377	1400	13777	470895	34.18
1985	27049	4195	31244	870784	27.87	12460	1362	13822	516988	37.40
1986	27404	4300	31704	949645	29.95	12434	1300	13734	576585	41.98
1987	27983	4400	32383	1021996	31.56	12217	1300	13517	614445	45.46

	ELHI					COLLEGE				
	ENROLLMENT			SALES ($)		ENROLLMENT		SALES ($)	PER CAPITA SALES ($)	
	PUBLIC	OTHER	TOTAL	TOTAL	PER CAPITA	FTE	TOTAL		FTE	TOTAL
1972	45754	5100	50854	472133	9.28	7255	9215	337003	46.45	36.57
1977	43731	5000	48731	721884	14.81	8397	11268	578433	68.88	51.33
1982	39652	5600	45252	1001771	22.14	9192	12426	1031267	112.19	82.99
1983	39352	5715	45067	1096547	24.33	9166	12465	1122564	122.47	90.06
1984	39295	5700	44995	1235949	27.47	3952	12242	1163814	130.01	95.07
1985	39509	5557	45066	1387772	30.79	8943	12247	1205711	134.82	98.45
1986	39837	5600	45437	1526230	33.59	9060	12501	1291340	142.53	103.30
1987	40200	5700	45900	1636441	35.65	9063	12544	1404185	154.94	111.94

(Text continued from page F-1)

on projections of the Census of Manufactures conducted by the U.S. Department of Commerce (See **Table S1**).

Table T2 relates domestic textbook sales (i.e. in the fifty states and the District of Columbia) to enrollment data compiled for these areas by the National Center for Education Statistics. The enrollment figures for public elementary (K-8) and secondary (9-12) schools are actual for the most part, while those for private schools are largely estimated. The college figures are actual. All sales are estimated.

College enrollment data and per capita sales are shown both for full-time equivalent (FTE) students, as well as for all students enrolled in the fifty United States and the District of Columbia. Total college enrollments include resident and extension students in vocational and technical programs, and students in U.S. Service Schools. In the FTE data, part-time enrollments have been converted to full-time equivalency.

Note: Minor changes have been made to some of the 1982-86 enrollment data to bring them into exact conformity with the Digest of Education Statistics 1988. 1987 data are preliminary.

With regard to the College Textbook estimate, the reader is referred to **Table G1** and the accompanying discussión.

For state-by-state enrollment and sales data consult **Tables F5b and F6** for Elhi, and **Tables G7a and G7b** for College. Also see the text with those tables for details regarding the enrollment figures used and the assumptions employed in the development of estimated per capita sales.

SECTION F - SCHOOL (ELHI) PUBLISHERS AND DIVISIONS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM F (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

Throughout this Report "Elementary" refers to Grades K through 8, and "High School" refers to Grades 9 through 12.

SALES DATA

Estimated industry sales of textbooks and materials, both Elhi and College, will be found in **Tables T1 and T3** on pages F-1 and F-2. All other Elhi reports are in this section. College statistics are in Section G beginning on page G-1.

Except for the information presented in **Tables T1 and T3**, and the estimated portions of **Tables F5b and F6, all data included in the tables are based on publishers actual reports and are not projected to industry totals.**

23 Elhi school textbook and materials publishers reported total 1987 sales of $1296.3 million to this Survey. Of these sales, $874.0 million were in elementary and $422.3 million were in high school textbooks and materials. As the Elhi publishing industry enjoys total estimated book sales of $1705.1 million and audiovisual and related materials sales of $174.7 million for a combined estimated sales total of $1879.8 million (figures from Table S1), the reporting group appears to represent some 69.0% of this industry segment.

TABLE F1 - SALES OF ELEMENTARY TEXTBOOKS AND MATERIALS

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 16 PUBLISHERS

	1987		1986		PERCENT CHANGE		1987 DOLLARS PER UNIT		YOUR DATA
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS	$-AVG.	AVG DOLLAR RNGE	
BOOKS (TOTAL)	656459	101310	608732	99109	7.8	2.2	6.48	3.35 TO 8.73	
TEXTBOOKS-HARDBOUND	182843	18326	188535	21076	-3.0	-13.0	9.98	7.57 TO 13.42	
TEXTBOOKS-PAPERBOUND	75249	14494	59114	11500	27.3	26.0	5.19	2.40 TO 21.40	
TEACHERS EDITIONS	12018	1477	10628	1292	13.1	14.3	8.14	2.98 TO 15.04	
WORKBOOKS	125300	31107	107264	28472	16.8	9.3	4.03	2.91 TO 4.77	
OBJECTIVE TESTS	13911	1185	13449	1121	3.4	5.7	11.74	3.69 TO 22.82	
DUPLICATING MASTERS	10378	563	12880	1865	-19.4	-69.8	18.43	10.38 TO 54.00	
TEACHING AIDS	12790	1894	11751	1418	8.8	33.6	6.75	1.86 TO 68.75	
NOT DETAILED	223970	32264	205111	32365					
AUDIOVISUAL & OTHER MEDIA	14403	404	17846	643	-19.3	-37.2	35.65	1.95 TO 148.63	
MULTIMEDIA KITS	16860	1287	18092	1391	-6.8	-7.5	13.10	6.47 TO 205.25	
TOTAL BOOKS & MATERIALS	687722	103001	644670	101143	6.7	1.8	6.68	3.38 TO 8.85	

TABLE F2 - SALES OF HIGH SCHOOL TEXTBOOKS AND MATERIALS

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 13 PUBLISHERS

	1987		1986		PERCENT CHANGE		1987 DOLLARS PER UNIT		YOUR DATA
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS	$-AVG.	AVG DOLLAR RNGE	
BOOKS (TOTAL)	331218	32138	312787	31892	5.9	0.8	10.31	3.59 TO 21.78	
TEXTBOOKS-HARDBOUND	218265	14737	179502	11577	21.6	27.3	14.81	9.87 TO 18.19	
TEXTBOOKS-PAPERBOUND	7846	1239	8391	1328	-6.5	-6.7	6.33	1.67 TO 8.59	
TEACHERS EDITIONS	2424	219	2828	309	-14.3	-29.1	11.07	3.20 TO 24.37	
WORKBOOKS	44283	8499	41302	8362	7.2	1.6	5.21	3.54 TO 5.90	
OBJECTIVE TESTS	1451	921	1954	792	-25.7	16.3	1.58	0.83 TO 20.23	
DUPLICATING MASTERS	2023	56	2599	188	-22.2	-70.2	36.12	23.00 TO 51.95	
TEACHING AIDS	1287	137	1659	109	-22.4	25.7	9.39	7.11 TO 56.00	
NOT ALLOCATED	53639	6330	74552	9227					
AUDIOVISUAL AND OTHER MEDIA	7944	156	9979	349	-20.4	-55.3	50.92	27.17 TO 134.33	
MULTIMEDIA KITS	1013	17	1118	11	-9.4	54.5	59.59	4.40 TO 76.25	
TOTAL BOOKS & MATERIALS	340175	32311	323884	32252	5.0	0.2	10.53	3.73 TO 21.84	

TABLE F3 - SALES OF ELEMENTARY TEXTBOOKS AND MATERIALS-BY SUBJECT CATEGORIES

THOUSANDS OF DOLLARS - AS REPORTED BY 17 PUBLISHERS

	1987		1986		
	ALL SALES		ALL SALES		YOUR DATA
	TOTAL	PCT OF TOTAL	TOTAL	PCT OF TOTAL	
LANGUAGE ARTS					
READING	256394	37.9	267887	40.4	
LITERATURE	7408	1.1	4205	0.6	
ENGLISH	66010	9.8	54897	8.3	
SPELLING	47847	7.1	42252	6.4	
HANDWRITING	6758	1.0	3507	0.5	
UNSPECIFIED	95228		77862		
TOTAL LANGUAGE ARTS	479645	56.8	450610	56.2	
SCIENCE	60065	7.1	63229	7.9	
HEALTH	3707	0.4	3700	0.5	
SOCIAL STUDIES	63654	7.5	51586	6.4	
BASAL PROGRAMS K-6 K-6 OR K-8	47223	6.7	30891	4.8	
OTHER	5835	0.8	10252	1.6	
UNSPECIFIED	10596		10443		
MATHEMATICS	142071	16.8	124351	15.5	
MUSIC	9898	1.2	14249	1.8	
ART	15	0.0	20	0.0	
FOREIGN LANGUAGES	1451	0.2	1290	0.2	
DICTIONARIES	9326	1.1	9905	1.2	
OTHER	74009	8.8	82615	10.3	
TOTAL	843841	100.0	801555	100.0	

TABLE F4 - SALES OF HIGH SCHOOL TEXTBOOKS AND MATERIALS-BY SUBJECT CATEGORIES

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS

	1987		1986		
	ALL SALES		ALL SALES		YOUR DATA
	TOTAL	PCT OF TOTAL	TOTAL	PCT OF TOTAL	
LITERATURE	40982	10.0	47613	12.5	
ENGLISH	26699	6.5	30297	8.0	
SCIENCE	48462	11.8	43655	11.5	
SOCIAL STUDIES	56218	13.7	52907	13.9	
MATHEMATICS	55800	13.6	52190	13.7	
MUSIC	32	0.0	19	0.0	
ART	0	0.0	0	0.0	
FOREIGN LANGUAGES (TOTL)	37524	9.1	39053	10.3	
SPANISH	18084	5.5	16707	5.9	
FRENCH	9107	2.8	9556	3.4	
OTHER	2637	0.8	2639	0.9	
UNSPECIFIED	7696		10151		
VOCATIONAL (TOTAL)	86308	21.0	76466	20.1	
BUSINESS EDUCATION	77793	18.9	66652	17.5	
INDUSTRIAL ARTS	1031	0.3	922	0.2	
HOME ECONOMICS	7231	1.8	7608	2.0	
OTHER	253	0.1	1284	0.3	
DRIVER EDUCATION	1681	0.4	1581	0.4	
HEALTH	6926	1.7	1881	0.5	
DICTIONARIES	1890	0.5	1175	0.3	
OTHER	48835	11.9	33518	8.8	
TOTAL	411357	100.0	380355	100.0	

TABLE F5a - SALES OF ELHI TEXTBOOKS AND MATERIALS-BY GEOGRAPHICAL LOCATION

ACTUAL SALES - AS REPORTED BY 14 PUBLISHERS

	ACTUAL SALES OF TEXTBOOKS AND MATERIALS								
	ELHI			ELEMENTARY			HIGH SCHOOL		
	1987	1986	PCT-CHG	1987	1986	PCT-CHG	1987	1986	PCT-CHG
ALABAMA	12500	9787	27.7	7951	5316	49.6	4432	4272	3.7
ALASKA	1706	2328	-26.7	1354	1701	-20.4	329	605	-45.6
ARIZONA	16165	15970	1.2	10905	10825	0.7	5095	4975	2.4
ARKANSAS	9121	8158	11.8	5495	5183	6.0	3606	2908	24.0
CALIFORNIA	81035	98817	-18.0	51324	64548	-20.5	28287	32736	-13.6
COLORADO	10604	10747	-1.3	7221	7282	-0.8	3223	3291	-2.1
CONNECTICUT	11900	10298	15.6	7362	6229	18.2	4166	3720	12.0
DELAWARE	2726	2591	5.2	1776	1817	-2.3	919	746	23.2
DIST OF COLUMBIA	2243	2247	-0.2	1212	1248	-2.9	964	911	5.8
FLORIDA	39937	29247	36.6	24278	15958	52.1	14814	12459	18.9
GEORGIA	24778	21993	12.7	16923	16343	3.5	7576	5430	39.5
HAWAII	3172	2796	13.4	2012	1793	12.2	1107	961	15.2
IDAHO	3079	3829	-19.6	1916	2852	-32.8	1143	958	19.3
ILLINOIS	52724	51218	2.9	37827	36822	2.7	14186	13700	3.5
INDIANA	28825	16802	71.6	19880	10049	97.9	8740	6551	33.4
IOWA	9181	7933	15.7	5566	5024	10.8	3498	2816	24.2
KANSAS	11136	11263	-1.1	8049	8226	-2.2	2999	2971	0.9
KENTUCKY	14196	15243	-6.9	9797	11579	-15.4	4301	3534	21.7
LOUISIANA	14823	17465	-15.1	8979	11240	-20.1	5352	5847	-8.5
MAINE	4481	4138	8.3	2693	2617	2.9	1724	1463	17.8
MARYLAND	14581	12754	14.3	8154	7844	4.0	6082	4645	30.9
MASSACHUSETTS	20857	19517	6.9	12921	12288	5.2	7270	6601	10.1
MICHIGAN	40722	39735	2.5	25951	25645	1.2	14454	13706	5.5
MINNESOTA	18024	16436	9.7	12136	11256	7.8	5667	4949	14.5
MISSISSIPPI	10195	5620	81.4	6620	4075	62.5	3528	1487	137.3
MISSOURI	23534	22091	6.5	16503	15628	5.6	6827	6266	9.0
MONTANA	3851	3735	3.1	2523	2677	-5.8	1318	1038	27.0
NEBRASKA	6541	5777	13.2	4200	3859	8.8	2291	1879	21.9
NEVADA	2957	2980	-0.8	1896	1804	5.1	1032	1137	-9.2
NEW HAMPSHIRE	3433	3183	7.9	2124	2022	5.0	1230	1078	14.1
NEW JERSEY	38766	33238	16.6	27452	22729	20.8	10683	9965	7.2
NEW MEXICO	7128	5640	26.4	4541	3700	22.7	2550	1866	36.7
NEW YORK	67133	61618	9.0	40628	36123	12.5	22032	20889	5.5
NORTH CAROLINA	23191	22142	4.7	13947	17290	-19.3	8957	4627	93.6
NORTH DAKOTA	2684	2592	3.5	1883	1785	5.5	786	794	-1.0
OHIO	42289	38190	10.7	28333	25237	12.3	13211	12303	7.4
OKLAHOMA	11651	13297	-12.4	7525	9466	-20.5	4029	3746	7.6
OREGON	12077	9739	24.0	7759	6065	27.9	4199	3570	17.6
PENNSYLVANIA	43595	37987	14.8	29718	25361	17.2	13110	11914	10.0
RHODE ISLAND	3901	2882	35.4	2515	1822	38.0	1303	983	32.6
SOUTH CAROLINA	12278	11841	3.7	7628	6857	11.2	4538	4661	-2.6
SOUTH DAKOTA	4136	3516	17.6	3051	2721	12.1	1054	782	34.8
TENNESSEE	16066	17984	-10.7	9285	11402	-18.6	6615	6383	3.6
TEXAS	69815	65258	7.0	45247	32601	38.8	23936	32028	-25.3
UTAH	4944	4710	5.0	3217	3059	5.2	1676	1600	4.8
VERMONT	1637	1603	2.1	968	964	0.4	633	605	4.6
VIRGINIA	22561	16475	36.9	13830	9986	38.5	8307	6088	36.4
WASHINGTON	11886	12762	-6.9	9043	8782	3.0	2610	3770	-30.8

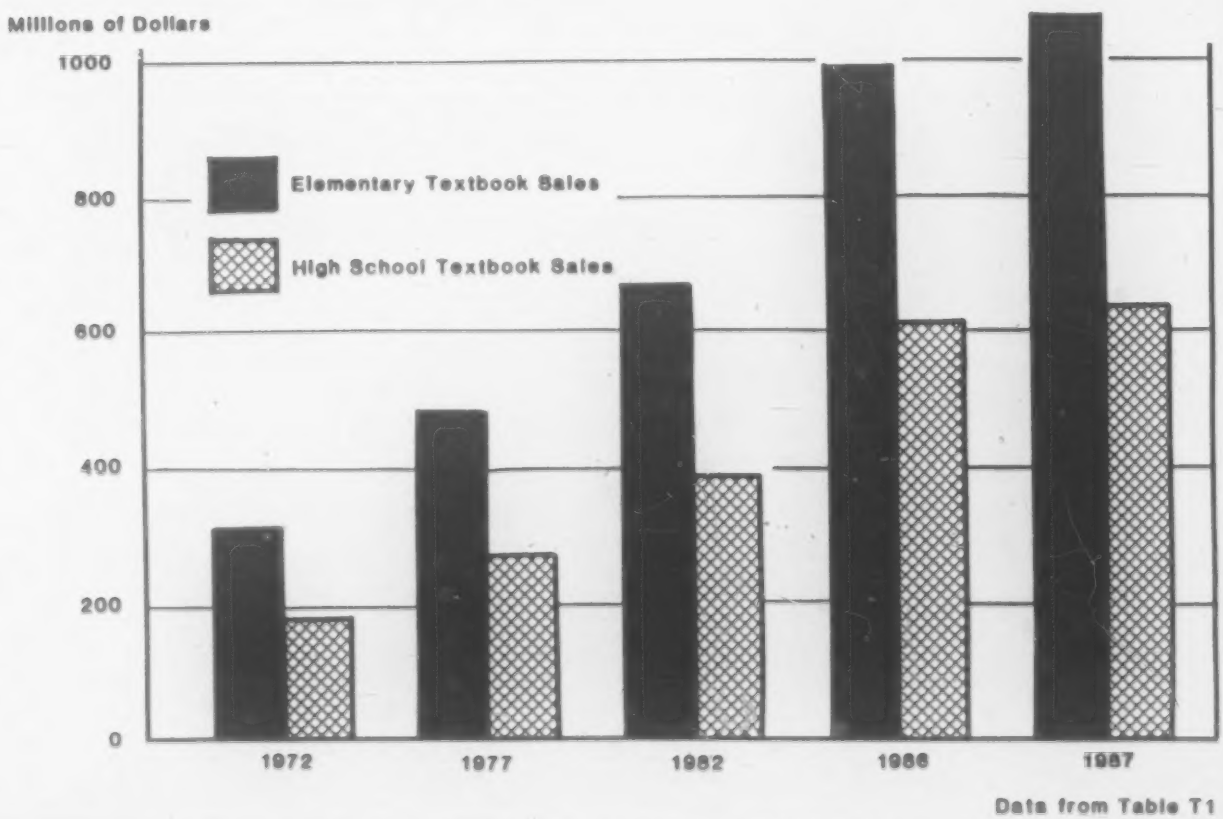
Continued on page F-7

TABLE F5a - SALES OF ELHI TEXTBOOKS AND MATERIALS-BY GEOGRAPHICAL LOCATION

Continued from page F-6

	ACTUAL SALES OF TEXTBOOKS AND MATERIALS								
	ELHI			ELEMENTARY			HIGH SCHOOL		
	1987	1986	PCT-CHG	1987	1986	PCT-CHG	1987	1986	PCT-CHG
WEST VIRGINIA	7753	7253	6.9	4833	4492	7.6	2877	2720	5.8
WISCONSIN	20007	17353	15.3	13401	11748	14.1	6344	5388	17.7
WYOMING	2150	2906	-26.0	1538	2212	-30.5	594	669	-11.2
TOTAL DOMESTIC U.S.	924676	863686	7.1	601890	558150	7.8	306204	288989	6.0
P.R. & OTHER U.S. POSS.	6434	7232	-11.0	4591	5207	-11.8	1840	2022	-9.0
CANADA	2456	3455	-28.9	1254	1517	-17.3	1139	1864	-38.9
EUROPE	2719	2909	-6.5	2377	2153	10.4	342	756	-54.8
OTHER FOREIGN	13885	13246	4.8	11585	11154	3.9	2242	2053	9.2
TOTAL FOREIGN	19060	19610	-2.8	15216	14814	2.7	3723	4673	-20.3
ALL SALES	950169	890528	6.7	621698	578171	7.5	311767	295684	5.4

FIGURE F1 - ESTIMATED ELHI TEXTBOOK NET SALES 1972, 1977, 1982, 1986-87



Data from Table T1

TABLE F5b - ESTIMATED INDUSTRY SALES OF ELHI TEXTBOOKS-BY GEOGRAPHICAL LOCATION

ESTIMATED INDUSTRY SALES (TEXTBOOKS ONLY) - MILLIONS OF DOLLARS

	ELEMENTARY		HIGH SCHOOL		ELHI				
	1987	1986	1987	1986	1987		1986		1966-68 AVERAGE
					$	INDEX	$	INDEX	(BASE)
ALABAMA	7871	5862	10917	10397	18788	395	16259	342	4751
ALASKA	2272	2828	855	1209	3127	527	4037	681	593
ARIZONA	18815	18509	10191	9829	29006	789	28338	771	3675
ARKANSAS	9253	8647	4759	3983	14012	440	12630	397	3182
CALIFORNIA	82039	95612	52132	59591	134171	559	155203	647	23989
COLORADO	14267	14247	7351	7416	21618	515	21663	516	4196
CONNECTICUT	16455	13791	8742	7709	25197	381	21500	325	6610
DELAWARE	2564	2609	2406	1980	4970	419	4580	386	1187
DISTRICT OF COLUMBIA	4768	4864	2544	2374	7312	374	7238	370	1956
FLORIDA	43569	31390	32594	27074	76163	703	58464	539	10837
GEORGIA	22695	21722	17006	13225	39701	471	34947	415	8428
HAWAII	5351	4725	2650	2272	8001	502	6997	439	1595
IDAHO	2430	3209	1329	1152	3759	225	4361	261	1672
ILLINOIS	52066	50222	35358	33739	87424	312	83961	300	28033
INDIANA	21845	15457	15298	12354	37143	340	27811	255	10919
IOWA	13540	12106	6598	5612	20138	259	17718	228	7769
KANSAS	14316	14501	5691	5571	20007	371	20072	372	5393
KENTUCKY	26493	31022	6048	4978	32541	491	36000	543	6631
LOUISIANA	11362	14083	10890	11754	22252	248	25837	288	8971
MAINE	5043	4855	3195	2678	8238	352	7533	322	2342
MARYLAND	14000	13336	13108	10735	27108	367	24071	326	7386
MASSACHUSETTS	23257	21900	14271	12801	37528	320	34701	296	11738
MICHIGAN	37246	36459	29000	27148	66246	325	63607	312	20373
MINNESOTA	23269	21383	10844	9354	34113	358	30737	322	9535
MISSISSIPPI	12936	8543	7263	3416	20199	398	11959	236	5072
MISSOURI	26345	24714	12542	11365	38887	340	36079	316	11427
MONTANA	4044	4253	2649	2162	6693	365	6415	350	1833
NEBRASKA	7667	6981	4483	3721	12150	341	10702	301	3558
NEVADA	4387	4135	1851	1987	6238	587	6122	576	1063
NEW HAMPSHIRE	3624	3419	3221	2788	6845	433	6207	393	1580
NEW JERSEY	48503	41781	20066	18487	68569	455	60268	400	15083
NEW MEXICO	9517	8058	5058	3933	14575	523	11991	431	2785
NEW YORK	77985	68670	47053	44048	125038	299	112718	269	41866
NORTH CAROLINA	28106	34502	13385	9005	41491	424	43507	444	9795
NORTH DAKOTA	3539	3323	2494	1746	6033	350	5069	294	1726
OHIO	47033	41489	21356	19639	68389	349	61128	312	19597
OKLAHOMA	9449	11774	9265	8504	18714	348	20278	378	5370
OREGON	12075	9353	6824	5731	18899	507	15084	405	3726
PENNSYLVANIA	52311	44216	26239	23558	78550	333	67774	288	23556
RHODE ISLAND	4925	3891	2794	2488	7719	386	6379	319	2001
SOUTH CAROLINA	13723	12225	5746	5827	19469	284	18052	263	6856
SOUTH DAKOTA	5185	4582	2551	2055	7736	441	6637	378	1756
TENNESSEE	8122	9884	15922	15179	24044	327	25063	341	7356
TEXAS	87095	68530	51925	64102	139020	579	132632	552	24011
UTAH	5739	5404	2776	2616	8515	335	8020	315	2542
VERMONT	1742	1719	1196	1129	2938	284	2848	276	1033
VIRGINIA	20532	16194	16859	12207	37391	400	28401	304	9354
WASHINGTON	15493	14901	5156	6397	20649	590	21298	350	6078

Continued on page F-9

TABLE F5b - ESTIMATED INDUSTRY SALES OF ELHI TEXTBOOKS-BY GEOGRAPHICAL LOCATION

Continued from page F-8

	ELEMENTARY		HIGH SCHOOL		ELHI				
	1987	1986	1987	1986	1987		1986		1966-68 AVERAGE
					$	INDEX	$	INDEX	(BASE)
WEST VIRGINIA	7547	6948	7862	7339	15409	411	14287	381	3753
WISCONSIN	26551	23052	12804	10744	39355	386	33796	331	10202
WYOMING	3035	3774	1328	1477	4363	559	5251	672	781
TOTAL DOMESTIC U.S.	1021996	949645	614445	576585	1636441	394	1526230	367	415521
P.R. & OTHER U.S. POSS.	4521	5079	2035	2209	6556	303	7288	337	2161
CANADA	15181	18185	17151	22891	32332	361	41076	458	8965
EUROPE	8675	7784	1820	2808	10495	687	10592	693	1528
ALL OTHER	16772	15991	2887	2611	19659	273	18602	259	7192
TOTAL FOREIGN	40628	41960	21858	28310	62486	353	70270	397	17685
TOTAL OUTSIDE U.S.	45149	47039	23893	30519	69042	348	77558	391	19846
ALL SALES	1067145	996684	638338	607104	1705483	392	1603788	368	435367

TABLE F6 - GEOGRAPHICAL ANALYSIS OF ESTIMATED INDUSTRY SALES OF ELHI TEXTBOOKS

THOUSANDS OF STUDENTS AND DOLLARS

	EST. INDUSTRY SALES ($)		PERCENT OF TOTAL SALES		ENROLLMENT		SALES PER CAPITA ($)		RANK IN PER CAPITA SALES	
	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
ALABAMA	18788	16259	1.15	1.07	803	805	23.40	20.20	48	50
ALASKA	3127	4037	.19	.26	110	112	28.43	36.04	44	22
ARIZONA	29006	28338	1.77	1.86	614	581	47.24	48.77	5	4
ARKANSAS	14012	12630	.86	.83	458	459	30.59	27.52	40	42
CALIFORNIA	134171	155203	8.20	10.17	5060	4958	26.52	31.30	46	36
COLORADO	21618	21663	1.32	1.42	601	598	35.97	36.23	31	21
CONNECTICUT	25197	21500	1.54	1.41	566	569	44.52	37.79	9	19
DELAWARE	4970	4580	.30	.30	123	120	40.41	38.17	17	14
DISTRICT OF COLUMBIA	7312	7238	.45	.47	113	110	64.71	65.80	1	1
FLORIDA	76163	58464	4.65	3.83	1899	1838	40.11	31.81	18	34
GEORGIA	39701	34947	2.43	2.29	1254	1189	31.66	29.39	39	38
HAWAII	8001	6997	.49	.46	209	207	38.28	33.80	24	27
IDAHO	3759	4361	.23	.29	219	215	17.16	20.28	51	49
ILLINOIS	87424	83961	5.34	5.50	2199	2219	39.76	37.83	19	17
INDIANA	37143	27811	2.27	1.82	1080	1080	34.39	25.75	36	47
IOWA	20138	17718	1.23	1.16	542	543	37.15	32.63	26	31
KANSAS	20007	20072	1.22	1.32	460	454	43.49	44.21	10	6
KENTUCKY	32541	36000	1.99	2.36	723	722	45.01	49.86	8	3
LOUISIANA	22252	25837	1.36	1.69	977	974	22.78	26.53	49	45
MAINE	8238	7533	.50	.49	230	232	35.82	32.47	32	32

Continued on page F-10

TABLE F6 - GEOGRAPHICAL ANALYSIS OF ESTIMATED INDUSTRY SALES OF ELHI TEXTBOOKS

Continued from page F-9

	EST. INDUSTRY SALES ($)		PERCENT OF TOTAL SALES		ENROLLMENT		SALES PER CAPITA ($)		RANK IN PER CAPITA SALES	
	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
MARYLAND	27108	24071	1.66	1.58	802	796	33.80	30.24	37	37
MASSACHUSETTS	37528	34701	2.29	2.27	982	990	38.22	35.05	25	24
MICHIGAN	66246	63607	4.05	4.17	1917	1921	34.56	33.11	35	30
MINNESOTA	34113	30737	2.08	2.01	818	811	41.70	37.90	13	16
MISSISSIPPI	20199	11959	1.23	.78	564	556	35.81	21.51	33	48
MISSOURI	38887	36079	2.38	2.36	948	944	41.02	38.22	16	13
MONTANA	6693	6415	.41	.42	163	162	41.06	39.60	15	9
NEBRASKA	12150	10702	.74	.70	313	311	338.8	34.4	2	2
NEVADA	6238	6122	.38	.40	172	168	36.27	36.44	29	20
NEW HAMPSHIRE	6845	6207	.42	.41	188	187	36.41	33.19	28	28
NEW JERSEY	68569	60268	4.19	3.95	1370	1366	50.05	44.12	3	7
NEW MEXICO	14575	11991	.89	.79	307	302	47.48	39.71	4	8
NEW YORK	125038	112718	7.64	7.39	3259	3262	38.37	34.55	23	25
NORTH CAROLINA	41491	43507	2.54	2.85	1152	1151	36.02	37.80	30	18
NORTH DAKOTA	6033	5069	.37	.33	130	131	46.41	38.69	6	12
OHIO	68389	61128	4.18	4.01	2098	2097	32.60	29.15	38	39
OKLAHOMA	18714	20278	1.14	1.33	617	611	30.33	33.19	41	29
OREGON	18899	15084	1.15	.99	488	480	38.73	31.42	22	35
PENNSYLVANIA	78550	67774	4.80	4.44	2118	2128	37.09	31.85	27	33
RHODE ISLAND	7719	6379	.47	.42	169	168	45.67	37.97	7	15
SOUTH CAROLINA	19469	18052	1.19	1.18	672	668	28.97	27.02	42	43
SOUTH DAKOTA	7736	6637	.47	.43	138	137	56.06	48.45	2	5
TENNESSEE	24044	25063	1.47	1.64	901	899	26.69	27.88	45	41
TEXAS	139020	132632	8.50	8.69	3523	3379	39.46	39.25	20	10
UTAH	8515	8020	.52	.53	425	422	20.04	19.00	50	51
VERMONT	2938	2848	.18	.19	103	101	28.52	28.20	43	40
VIRGINIA	37391	28401	2.28	1.86	1066	1060	35.08	26.79	34	44
WASHINGTON	20649	21298	1.26	1.40	840	824	24.58	25.85	47	46
WEST VIRGINIA	15409	14287	.94	.94	358	366	43.04	39.04	12	11
WISCONSIN	39355	33796	2.40	2.21	958	951	41.08	35.54	14	23
WYOMING	4363	5251	.27	.34	101	104	43.20	50.49	11	2
TOTAL DOMESTIC U.S.	1636441	1526230	100.00	100.00	45900	45437	35.65	33.59		

OPERATING DATA

Data are shown by size of publisher (**Tables F7 through F14**). **Table F7** is a summary table offering a composite income statement of the reporting publishers. The remaining tables detail specific expense areas.

While encouraged to furnish sales data on a calendar year basis, publishers were given the option of supplying operating information on a fiscal year basis. This year only one publisher (with a September year-end) furnished data on other than a calendar year.

In addition to the operating data shown in **Table F7**, the publishers were asked to report the level of royalty advances carried on their balance sheets at reporting year-end. 12 publishers responded, reporting Total Advances of $6.8 million. As these publishers enjoy net sales of $688.3 million, the advances represent 1.0% of net sales.

9 publishers with net sales of $685.7 million, reported a Total Reserve For Returns on their balance sheets at year-end of $11.5 million, representing 1.7% of their net sales. This contrasted with a beginning of reporting year reserve of $10.1 million.

TABLE F7 - OPERATING DATA OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS

	ALL PUBLISHERS						YOUR DATA	
	1987			1986				
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	1066599	104.9	102.5 TO 104.5	1015584	104.7	101.6 TO 105.8		
RETURNS & ALLOWANCES	49418	4.9	2.5 TO 4.5	45529	4.7	1.6 TO 5.8		
NET SALES	1017181	100.0	100.0 TO 100.0	970055	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	225103	22.1	18.0 TO 24.2	214599	22.1	20.4 TO 23.1		
ROYALTIES	45746	4.5	3.9 TO 6.2	48333	5.0	4.4 TO 6.3		
PLANT COSTS	76231	7.5	4.6 TO 8.4	67114	6.9	4.4 TO 9.8		
TOTAL COST OF SALES	347080	34.1	28.0 TO 39.0	330046	34.0	31.9 TO 37.1		
GROSS MARGIN ON SALES	670101	65.9	61.0 TO 72.0	640009	66.0	62.9 TO 68.1		
OTHER INCOME (TOTAL)	6466	0.6	0.1 TO 0.5	5675	0.6	0.1 TO 0.9		
GENERAL	6445	0.6	0.1 TO 0.6	4502	0.5	0.1 TO 0.7		
FROM FOREIGN SUBSIDS.	0	0.0		1112	0.1			
UNSPECIFIED	21			61				
PUBLISHING & OPERATING EXPENSES								
EDITORIAL	66322	6.5	4.7 TO 8.5	66503	6.9	4.0 TO 8.5		
PRODUCTION	19825	1.9	1.1 TO 2.6	19105	2.0	1.0 TO 2.5		
MARKETING	266143	26.2	23.4 TO 32.3	246306	25.4	21.7 TO 30.1		
FULFILLMENT	71047	7.0	5.5 TO 9.7	66123	6.8	6.5 TO 8.0		
GENERAL & ADMIN.	94566	9.3	7.4 TO 15.6	84144	8.7	8.3 TO 13.3		
TOTAL PUBL. & OPERATING EXPENSE	517903	50.9	48.4 TO 65.6	482181	49.7	46.7 TO 65.6		
INCOME FROM OPERATIONS*	158664	15.6	4.9 TO 23.7	163303	16.9	9.6 TO 21.5		

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

Continued on page F-12

TABLE F7 - OPERATING DATA OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page F-11

	6 PUBLISHERS WITH 1987 NET SALES BELOW $30 MILLION							
	1987			1986			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	79111	102.4	101.2 TO 103.4	81289	102.7	100.9 TO 103.7		
RETURNS & ALLOWANCES	1844	2.4	1.2 TO 3.4	2105	2.7	0.9 TO 3.7		
NET SALES	77267	100.0	100.0 TO 100.0	79184	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	17078	22.1	17.5 TO 25.0	18058	22.8	19.5 TO 24.4		
ROYALTIES	4253	5.5	5.0 TO 6.2	4646	5.9	4.5 TO 6.5		
PLANT COSTS	9357	12.1	3.7 TO 15.9	10877	13.7	3.7 TO 16.8		
TOTAL COST OF SALES	30688	39.7	25.0 TO 46.7	33581	42.4	26.9 TO 47.2		
GROSS MARGIN ON SALES	46579	60.3	53.3 TO 75.0	45603	57.6	52.8 TO 73.1		
OTHER INCOME (TOTAL)	2447	3.2	0.1 TO 5.7	3089	3.9	0.2 TO 7.1		
GENERAL	2447	3.2	0.1 TO 5.7	3089	3.9	0.2 TO 7.1		
FROM FOREIGN SUBSIDS.	0	0.0		0	0.0			
UNSPECIFIED	0			0				
PUBLISHING & OPERATING EXPENSES								
EDITORIAL	5801	7.5	5.3 TO 11.0	5280	6.7	4.0 TO 11.4		
PRODUCTION	1408	1.8	0.9 TO 3.4	1419	1.8	1.0 TO 3.1		
MARKETING	26435	34.2	23.9 TO 40.0	24086	30.4	21.5 TO 38.3		
FULFILLMENT	6375	8.3	5.1 TO 12.4	6596	8.3	5.8 TO 12.7		
GENERAL & ADMIN.	9752	12.6	8.4 TO 16.4	10798	13.6	9.0 TO 18.0		
TOTAL PUBL. & OPERATING EXPENSE	49771	64.4	48.1 TO 74.6	48179	60.8	48.3 TO 68.7		
INCOME FROM OPERATIONS*	-745	-1.0	-53.2 TO 31.9	513	0.6	5.1 TO 20.2		

* Please see corresponding note on page F-11.

Continued on page F-13

TABLE F7 - OPERATING DATA OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page F-12

	5 PUBLISHERS WITH 1987 NET SALES $30 TO $80 MILLION							
	1987			1986			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	321202	108.3	102.9 TO 114.4	299495	108.2	101.5 TO 115.5		
RETURNS & ALLOWANCES	24676	8.3	2.9 TO 14.4	22772	8.2	1.5 TO 15.5		
NET SALES	296526	100.0	100.0 TO 100.0	276723	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	78818	26.6	20.3 TO 32.8	68085	24.6	20.9 TO 28.4		
ROYALTIES	13894	4.7	2.5 TO 6.9	16944	6.1	4.8 TO 7.3		
PLANT COSTS	17279	5.8	3.2 TO 8.1	11699	4.2	3.6 TO 6.4		
TOTAL COST OF SALES	109991	37.1	30.6 TO 42.3	96728	35.0	32.9 TO 37.3		
GROSS MARGIN ON SALES	186535	62.9	57.7 TO 69.4	179995	65.0	62.7 TO 67.1		
OTHER INCOME (TOTAL)	3622	1.2	0.1 TO 2.5	2094	0.8	0.1 TO 1.5		
GENERAL	3601	1.2	0.3 TO 3.6	921	0.3	0.1 TO 0.8		
FROM FOREIGN SUBSIDS.	0	0.0		1112	0.4			
UNSPECIFIED	21			61				
PUBLISHING & OPERATING EXPENSES								
EDITORIAL	15060	5.1	4.2 TO 6.3	11803	4.3	3.3 TO 5.2		
PRODUCTION	5227	1.8	1.1 TO 2.4	4615	1.7	0.9 TO 2.3		
MARKETING	71144	24.0	20.9 TO 26.3	66804	24.1	21.6 TO 26.8		
FULFILLMENT	24522	8.3	6.3 TO 10.1	19782	7.1	5.8 TO 8.3		
GENERAL & ADMIN.	40461	13.6	10.0 TO 17.5	30624	11.1	8.8 TO 13.1		
TOTAL PUBL. & OPERATING EXPENSE	156414	52.7	46.0 TO 60.2	133628	48.3	44.4 TO 51.5		
INCOME FROM OPERATIONS*	33743	11.4	4.9 TO 18.8	48461	17.5	12.7 TO 22.9		

* Please see corresponding note on page F-11.

Continued on page F-14

TABLE F7 - OPERATING DATA OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page F-13

	4 PUBLISHERS WITH 1987 NET SALES ABOVE $80 MILLION							
	1987			1986			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	666286	103.6	102.8 TO 104.2	634800	103.4	102.8 TO 104.1		
RETURNS & ALLOWANCES	22898	3.6	2.8 TO 4.2	20652	3.4	2.8 TO 4.1		
NET SALES	643388	100.0	100.0 TO 100.0	614148	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	129207	20.1	18.1 TO 21.8	128456	20.9	19.5 TO 22.2		
ROYALTIES	27599	4.3	3.8 TO 5.6	26743	4.4	4.0 TO 5.1		
PLANT COSTS	49595	7.7	6.0 TO 10.0	44538	7.3	4.8 TO 9.2		
TOTAL COST OF SALES	206401	32.1	28.4 TO 36.5	199737	32.5	28.3 TO 35.9		
GROSS MARGIN ON SALES	436987	67.9	63.5 TO 71.6	414411	67.5	64.1 TO 71.7		
OTHER INCOME (TOTAL)	397	0.1	0.0 TO 0.2	492	0.1	0.0 TO 0.2		
GENERAL	397	0.1	0.0 TO 0.2	492	0.1	0.0 TO 0.2		
FROM FOREIGN SUBSIDS.	0	0.0		0	0.0			
UNSPECIFIED	0			0				
PUBLISHING & OPERATING EXPENSES								
EDITORIAL	45461	7.1	6.0 TO 8.2	49420	8.0	6.3 TO 9.3		
PRODUCTION	13190	2.1	0.7 TO 3.5	13071	2.1	1.0 TO 3.3		
MARKETING	168564	26.2	22.2 TO 30.2	155416	25.3	22.3 TO 29.4		
FULFILLMENT	40150	6.2	5.9 TO 6.8	39745	6.5	5.8 TO 7.3		
GENERAL & ADMIN.	44353	6.9	6.1 TO 7.4	42722	7.0	5.6 TO 8.1		
TOTAL PUBL. & OPERATING EXPENSE	311718	48.4	45.6 TO 52.2	300374	48.9	47.0 TO 51.8		
INCOME FROM OPERATIONS*	125666	19.5	11.5 TO 24.1	114529	18.6	13.2 TO 24.4		

* Please see corresponding note on page F-11.

TABLE F8 - INVENTORY DATA OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 11 PUBLISHERS
WITH TOTAL NET SALES OF $719,849,000

	ALL PUBLISHERS		4 PUBLISHERS NET SALES UP TO $30 MILLION		4 PUBLISHERS NET SALES $30-$80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES		
BEGINNING INVENTORY	175813	24.4	14976	30.6	70318	29.1	90519	21.1		
PURCHASES	215873	30.0	13667	27.9	79356	32.8	122850	28.6		
COST OF FREE COPIES	40775	5.7	3306	6.7	11352	4.7	26117	6.1		
WRITE DOWNS	9553	1.3	284	0.6	4606	1.9	4663	1.1		
ENDING INVENTORY AFTER WRITE DOWNS	189315	26.3	14439	29.5	69376	28.7	105501	24.6		
PAPER, PRINTING, BINDING & DUPL. COST OF PRODUCTS SOLD, INCLUDING WRITEDOWNS	161595	22.4	10898	22.2	68946	28.5	81751	19.1		

Based on the data in **Table F8**, the inventory turnover of all reporting publishers is 0.9; that of publishers with net sales up to $30 million is 0.7; that of publishers with net sales $30 to $80 million is 1.0; and that of publishers with net sales above $80 million is 0.8.

TABLE F9 - CASH PLANT EXPENDITURES OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS
WITH TOTAL NET SALES OF $796,153,000

	ALL PUBLISHERS		5 PUBLISHERS NET SALES UP TO $30 MILLION		5 PUBLISHERS NET SALES $30--$80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	
CASH PLANT EXPENDITURES	85228	10.7	11316	16.0	23738	8.0	50174	11.7	

Table F9 details Cash Plant Expenditures. Since plant costs in **Table F7** are reported on an accrual basis and subject, therefore to varying treatment (amortization, write-off, inventory inclusion, etc.) depending on individual publisher's policies, valid comparison of a given publisher's experience with the composite figure becomes difficult. However, by reporting plant expenditures on a cash basis (i.e. actual monies spent during the year not related to books sold or to amortization of amounts previously expended) all reporting companies are, at least, placed on the same footing. By relating the expenditures to these publishers' net sales, a yardstick for comparison is established, even though no true (i.e. accrual) relationship exists between the cash amounts spent and the sales consummated during the year.

To provide an added perspective on the accrual figure reported in **Table F7**, publishers were asked to report their method of treating plant costs:

Amortized - 13 publishers
- Over 3 years - 4 publishers
- Over 3-5 yrs - 1 publisher
- Over 4 years - 1 publisher
- Over 5 years - 4 publishers
- Over 6 years - 1 publisher
- Over 5-7 yrs - 1 publisher
- Amortized separately, parallel to sales of first printing - 1 publisher

Expensed as incurred - 1 publisher

(Text continued bottom of page F-16)

TABLE F10a - EDITORIAL EXPENSE OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS
WITH TOTAL NET SALES OF $796,153,000

	ALL PUBLISHERS		5 PUBLISHERS NET SALES UP TO $30 MILLION		5 PUBLISHERS NET SALES $30-$80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	
EDITORIAL EXPENSE									
SALARIES	26696	3.4	2195	3.1	9186	3.1	15314	3.6	
BENEFITS	6338	0.8	509	0.7	2323	0.8	3505	0.8	
OUTSIDE EDITORIAL EXP	13508	1.7	2089	3.0	1473	0.5	9945	2.3	
TRAVEL & ENTERTAINMNT	1736	0.2	284	0.4	457	0.2	995	0.2	
OTHER	4218	0.5	681	1.0	1621	0.5	1917	0.4	
TOTAL EDITORIAL EXPENSE	52496	6.6	5759	8.2	15061	5.1	31676	7.4	

TABLE F10b - PRODUCTION EXPENSE OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 12 PUBLISHERS
WITH TOTAL NET SALES OF $792,319,000

	ALL PUBLISHERS		4 PUBLISHERS NET SALES UP TO $30 MILLION		5 PUBLISHERS NET SALES $30-$80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	
PRODUCTION EXPENSE									
SALARIES	9054	1.1	616	0.9	3000	1.0	5438	1.3	
BENEFITS	1810	0.2	104	0.2	714	0.2	992	0.2	
OUTSIDE PRODUCTION EXPENSE	5131	0.6	16	0.0	833	0.3	4282	1.0	
OTHER	3068	0.4	258	0.4	679	0.2	2130	0.5	
TOTAL PRODUCTION EXPENSE	19064	2.4	995	1.5	5226	1.8	12843	3.0	

Text continued from page F-15

While the publishers reporting treatment policies are not wholly identical to those reporting accrued plant costs in **Table F7**, there is sufficient similarity to make the two groups comparable.

10 publishers with net sales of $707.3 million reported carrying $111.7 million in unamortized plant costs on their year-end balance sheets. $22.5 million involved unpublished, and $52.3 million involved published titles, while $36.9 million were reported without specification.

TABLE F11 - MARKETING EXPENSE OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 12 PUBLISHERS
WITH TOTAL NET SALES OF $736,311,000

	ALL PUBLISHERS		5 PUBLISHERS NET SALES UP TO $30 MILLION		4 PUBLISHERS NET SALES $30-$80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	
SELLING EXPENSE									
SALESMEN'S SALARIES & COMMISSIONS	33992	4.6	5644	8.2	12776	5.4	15572	3.6	
SALESMEN'S BENEFITS	6852	0.9	1062	1.5	2939	1.2	2852	0.7	
SALESMEN'S TRAVEL & ENTERTAINMENT	15604	2.1	2613	3.8	5467	2.3	7525	1.8	
STAFF CONSULTANTS' SAL. & COMMISSIONS	6255	0.9	430	0.6	645	0.3	5179	1.2	
STAFF CONSULTANTS' BENEFITS	1531	0.2	98	0.1	212	0.1	1222	0.3	
STAFF CONSULTANTS' TRAVEL & ENTERTMNT	3403	0.5	324	0.5	360	0.2	2719	0.6	
OUTSIDE CONSULTANTS' EXPENSE	1565	0.2	357	0.5	40	0.0	1168	0.3	
DEPARTMENTAL MANAGERS SALARIES	7379	1.0	897	1.3	1594	0.7	4888	1.1	
DEPARTMENTAL MANAGERS BENEFITS	1517	0.2	184	0.3	401	0.2	933	0.2	
DEPARTMENTAL CLERICAL SALARIES	3945	0.5	308	0.4	966	0.4	2671	0.6	
DEPARTMENTAL CLERICAL BENEFITS	1142	0.2	101	0.1	278	0.1	763	0.2	
DEPARTMENTAL TRAVEL & ENTERTAINMENT	4021	0.5	657	1.0	1000	0.4	2365	0.6	
OTHER	11071	1.5	1507	2.2	4414	1.9	5150	1.2	
UNSPECIFIED	383		383		0		0		
TOTAL SELLING EXPENSE	98660	13.4	14565	20.6	31090	13.1	53006	12.4	
PROMOTION EXPENSE									
DEPARTMENTAL SALARIES	7512	1.0	663	0.9	2683	1.1	4166	1.0	
DEPARTMENTAL BENEFITS	1807	0.2	131	0.2	568	0.2	1108	0.3	
SPACE ADVERTISING	3225	0.4	363	0.5	1616	0.7	1246	0.3	
CATALOGS, DIRECT MAIL & SELLING MATER'LS	13908	1.9	3431	4.9	3520	1.5	6957	1.6	
FREE COPIES (TOTAL)	51905	7.0	4112	5.8	15429	6.5	32364	7.5	
COST OF FREE COPIES	42624	6.1	1614	5.1	13369	5.6	27641	6.4	
POSTAGE	7022	1.0	239	0.8	2060	0.9	4723	1.1	
UNSPECIFIED	2259		2259		0		0		
EXHIBITS	4717	0.6	1280	1.8	973	0.4	2464	0.6	
OTHER	4961	0.7	401	0.6	1272	0.5	3289	0.8	
TOTAL PROMOTION EXPENSE	88036	12.0	10381	14.7	26061	11.0	51594	12.0	
TOTAL MARKETING EXPENSE	186697	25.4	24946	35.3	57151	24.1	104600	24.4	

TABLE F12 - FULFILLMENT EXPENSE OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS

REPORTED BY 5 PUBLISHERS WITH TOTAL NET SALES OF $159,164,000 USING INTERNAL FACILITIES	ALL PUBLISHERS $	ALL PUBLISHERS PCT-NET SALES
ORDER PROCESSING AND CUSTOMER SERVICE		
SALARIES (TOTAL)	2646	1.7
ACC'TS RECEIVABLE & CREDIT CONTRL	192	0.1
ORDER PROC. & CUST SERV. SALARIES	2350	1.5
OTHER	103	0.1
BENEFITS	867	0.6
EDP/SYSTEMS EXPENSE	1928	1.2
OTHER (INC. EQUIPMENT AND SUPPLIES)	704	0.4
TOTAL ORDER PROCESSING	6145	3.9
SHIPPING & WAREHOUSING		
SALARIES	4018	2.6
BENEFITS	1101	0.7
OCCUPANCY	2790	1.8
EQUIPMENT & SUPPLIES	835	0.5
TRANSPORTATION CHRGES	891	0.6
OTHER	199	0.1
TOTAL SHIPPING AND WAREHOUSING	9834	6.3
TOTAL FULFILLMENT EXP.	15979	10.2

THOUSANDS OF DOLLARS

REPORTED BY 7 PUBLISHERS WITH TOTAL NET SALES OF $577,147,000 USING SPLIT FACILITIES	ALL PUBLISHERS $	ALL PUBLISHERS PCT-NET SALES	3 PUBLISHERS NET SALES ABOVE $80 MILLION $	3 PUBLISHERS NET SALES ABOVE $80 MILLION PCT-NET SALES
INTERNAL FULFILLMENT EXPENSES				
ORDER PROCESSING AND CUSTOMER SERVICE				
SALARIES (TOTAL)	7173	1.2	5546	1.3
ACC'TS RECEIVABLE & CREDIT CONTRL	1830	0.3	1455	0.3
ORDER PROC. & CUST SERV. SALARIES	4461	0.8	3526	0.8
OTHER	882	0.2	566	0.1
BENEFITS	1960	0.3	1570	0.4
EDP/SYSTEMS EXPENSE	4245	0.7	2540	0.6
OTHER (INC. EQUIPMENT AND SUPPLIES)	1009	0.2	802	0.2
TOTAL ORDER PROCESSING	14387	2.5	10458	2.4
SHIPPING & WAREHOUSING				
SALARIES	7294	1.3	5169	1.2
BENEFITS	1901	0.3	1384	0.3
OCCUPANCY	4396	0.8	3190	0.7
EQUIPMENT & SUPPLIES	2535	0.4	1580	0.4
TRANSPORTATION CHRGES	1118	0.2	196	0.0
OTHER	-97	-0.0	-9	-0.0
TOTAL SHIPPING AND WAREHOUSING	17146	3.0	11510	2.7
TOTAL INTERNAL FULFILLMENT EXP.	31534	5.5	21968	5.1
EXTERNAL FULFILLMENT EXPENSE				
ORDER PROCESSING	0	0.0	0	0.0
SHIPPING & WAREHOUS'G	34	0.0	34	0.0
DEPOSITORY EXPENSE	8294	1.4	5702	1.3
TOTAL EXTERNAL FULFILLMENT EXP.	8328	1.4	5736	1.3
TOTAL FULFILLMENT EXP. OF PUBLISHERS WITH SPLIT FACILITIES	39862	6.9	27704	6.5

Data for publishers with Net Sales Under $80 Million have been suppressed to prevent disclosure.

TABLE F13 - GENERAL AND ADMINISTRATIVE EXPENSE OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS
WITH TOTAL NET SALES OF $796,153,000

	ALL PUBLISHERS		5 PUBLISHERS NET SALES UP TO $30 MILLION		5 PUBLISHERS NET SALES $30-$80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	
MANAGEMENT SALARIES	7891	1.0	2036	2.9	3331	1.1	2524	0.6	
MANAGEMENT BENEFITS	1588	0.2	401	0.6	782	0.3	405	0.1	
ACCOUNTING SALARIES	4309	0.5	971	1.4	1699	0.6	1639	0.4	
ACCOUNTING BENEFITS	1022	0.1	210	0.3	392	0.1	420	0.1	
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	8451	1.1	1024	1.5	3849	1.3	3577	0.8	
GENERAL OFFICE BENEFITS	4002	0.5	204	0.3	2783	0.9	1014	0.2	
GENERAL TRAVEL & ENT.	1665	0.2	492	0.7	423	0.1	751	0.2	
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	5289	0.7	579	0.8	2175	0.7	2535	0.6	
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	15991	2.0	1854	2.6	6988	2.4	7149	1.7	
TAXES (EXCEPT PAYROLL & INCOME TAXES)	3159	0.4	236	0.3	1323	0.4	1600	0.4	
PERSONAL PROPERTY TAX	2164	0.3	149	0.2	933	0.4	1082	0.3	
ALL OTHER TAXES	631	0.1	87	0.1	25	0.0	518	0.1	
UNSPECIFIED	366		0		366		0		
OTHER	21050	2.6	899	1.3	13226	4.5	6925	1.6	
TOTAL GENERAL AND ADMINISTRATIVE EXP.	74416	9.3	8906	12.6	36971	12.5	28539	6.7	

TABLE F14 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE OF ELHI PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 13 PUBLISHERS
WITH TOTAL NET SALES OF $796,153,000

	ALL PUBLISHERS		5 PUBLISHERS NET SALES UP TO $30 MILLION		5 PUBLISHERS NET SALES $30-$80 MILLION		3 PUBLISHERS NET SALES ABOVE $80 MILLION		YOUR DATA
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	
PENSIONS	3308	0.4	619	0.9	330	0.1	2360	0.5	
DEFERRED PROFIT SHARING	4242	0.5	348	0.5	1993	0.7	1901	0.4	
HOSPITALIZATION AND GROUP INSURANCE	9204	1.2	1112	1.6	2977	1.0	5114	1.2	
PAYROLL TAXES	11206	1.4	1217	1.7	4306	1.5	5682	1.3	
OTHER	2294	0.3	174	0.2	1008	0.3	1112	0.3	
TOTAL EMPLOYEE BENEFITS	30254	3.8	3471	4.9	10614	3.6	16169	3.8	

TABLE F16 - BILLINGS AND RECEIVABLES OF ELHI PUBLISHERS

	REPLIES	AMOUNT
NUMBER OF INVOICES ANNUALLY (000)	10	1339
AVERAGE INV. VALUE		484.25
NUMBER OF CREDIT MEMOS ANNUALLY (000)		136
ACCOUNTS RECEIVABLE (AT CAL. YR-END-$000)	13	139347
PERCENT OF NET SALES		17.5
ACCOUNTS RECE. - AGED TOTAL ($000)	12	110947
PCT. CURRENT		46.1
PCT. 1-60 DAYS		18.4
PCT. 61 DAYS OR MORE		35.5
BAD DEBT RESERVE ($000)	13	1572
PCT. OF NET SALES		0.2
PCT. OF RECEIVABLES		1.1
BAD DEBT LOSSES ($000)	11	670
PCT. OF NET SALES		0.1
PCT. OF RECEIVABLES		0.4
AVERAGE COLLECTION PERIOD (DAYS)	11	55
RANGE (DAYS)		30-96
AVG. ACCOUNTS RECEIVABLE (12 MONTHS) ($000)	12	172770
PCT. OF NET SALES		23.7

TABLE F16 - EMPLOYEE DATA OF ELHI PUBLISHERS

AS REPORTED BY 12 PUBLISHERS
EMPLOYING TOTAL STAFF OF 4,541
(NET SALES PER EMPLOYEE - $162,147)

	PERCENT OF TOTAL	
	AVERAGE	MID-RANGE
EDITORIAL	20.9	11.0 TO 24.7
PRODUCTION	5.7	3.2 TO 9.5
MARKETING (TOTAL)	38.3	33.2 TO 46.0
SALESMEN	18.7	14.9 TO 24.4
CONSULTANTS	3.7	3.5 TO 8.7
SALES MANAGEMENT	4.3	2.5 TO 8.1
SALES-CLERICAL	4.8	3.3 TO 6.9
PROMOTION	5.0	2.3 TO 4.8
UNSPECIFIED	1.8	
FULFILLMENT (TOTAL)	23.7	17.6 TO 29.3
ORDER PROCESSING	11.3	8.2 TO 13.9
SHIPPING & WAREHOUS'G	12.3	8.9 TO 15.4
ADMINISTRATIVE MANAGEMNT	2.3	1.2 TO 4.3
GENERAL OFFICE	6.3	4.2 TO 10.9
OTHER	3.0	2.0 TO 6.5
EMPLOYEES PER $100,000 SALES	0.6	0.5 TO 1.1

TABLE F17 - SELECTED BALANCE SHEET DATA OF ELHI PUBLISHERS

REPORTED BY 11 PUBLISHERS - WITH TOTAL NET SALES
OF $669,810,000

	PERCENT OF NET SALES	
	AVERAGE	MID-RANGE
NET ASSETS	56.5	42.6 TO 76.1
RECEIVABLES	13.6	12.1 TO 15.6
INVENTORIES	28.8	19.1 TO 33.0
PREPAID EXPENSES	0.7	0.2 TO 1.1
ROYALTY ADVANCES	1.0	0.3 TO 3.1
DEFERRED PLANT COSTS	12.4	0.0 TO 27.3
INCOME (LOSS) BEFORE TAXES	16.7	-0.1 TO 23.6

SECTION G - COLLEGE PUBLISHERS AND DIVISIONS

Please refer to the GENERAL INSTRUCTIONS AND DEFINITIONS, and the specific instructions and definitions for this divisional survey in QUESTIONNAIRE FORM G (available on request from the AAP New York Office) to insure the correct interpretation of this report. Furthermore, the methodology used in gathering and reporting data, which is discussed in the INTRODUCTION should be reviewed for a full understanding of the tables and text.

SALES DATA

In **Table G2** twenty-three college textbook and materials publishers reported total 1987 net sales of $1012.0 million to this Survey. As the college publishing industry enjoys total estimated book sales of $1521.2 million, as reported in **Table S1**, and audiovisual and related materials sales of $15.1 million for a combined estimated sales total of $1536.3 million, the reporting group appears to represent some 65.9% of this industry segment. However, the reader is referred to the discussion accompanying **Table G1**, and to the Higher Education Division footnote following **Table S1**.

TABLE G1 - ESTIMATED INDUSTRY SALES OF COLLEGE TEXTBOOKS

The AAP Higher Education Division Statistics Committee has felt, for a number of years, that the estimates based on the U.S. Department of Commerce Census of Manufactures (**Table S1**) overstate the college textbook market, and they have annually conducted their own independent survey. This year the HED survey includes responses from 50 publishers which they feel represent the majority of college textbook publishers.

The results of this survey are shown in **Table G1**, and the list of participating publishers appears on page G-2.

NET SALES - MILLIONS OF DOLLARS

	1987	1986	PERCENT CHANGE
TABLE S-1 ESTIMATE	1521.2	1409.8	7.9
HED SURVEY (ACTUAL)	1249.1	1150.0	8.6
HED PERCENT OF S-1	82.1	81.6	

Continued on page G-2

TABLE G1 - ESTIMATED INDUSTRY SALES OF COLLEGE TEXTBOOKS

Continued from page G-1

Publishers participating in the special AAP Higher Education Statistics Committee Survey (Table G1):

Addison-Wesley Publishing
Allyn & Bacon
AMSCO School Publications
Avery Publishing Group

Birch Tree Group
William C. Brown Publs.
Burgess Publishing

Congressional Quarterly
Copley Publishing Group

Harlan Davidson
Delmar Publishers
Dushkin Publishing Group

EMC Corporation

W.H. Freeman & Co.

Gorsuch Scarisbrick Publ.

Hackett Publishing Co.
Harcourt Brace Jovanovich
Harper & Row, Publishers
D.C. Heath & Co.
Houghton Mifflin
HRD Press

Interstate Publishers
Richard D. Irwin, Inc.

Jones & Bartlett Publs.

Linguistics International
Liturgical Press
Longman Financial Services Publ.

Macmillan Publishing Co.
Mayfield Publishing
McGraw-Hill Book Co.
Merrill Publishing
Mitchell Publishing
C.V. Mosby Co.

W.W. Norton

Oxford University Press

Pacific Books, Publs.
Prentice-Hall
PRO-ED Inc.

Random House

St. Martin's Press
Science Research Associates

Scott Foresman/Little Brown
South-Western Publishing
Spoken Language Services

University Press of America
Unwin Hyman, Inc.

Wadsworth Inc.
Westview Press
John Wiley & Sons
Worth Publishers

TABLE G2 - SALES OF COLLEGE TEXTBOOKS AND MATERIALS

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 23 PUBLISHERS

	GROSS SALES								
	1987		1986		PERCENT CHANGE		YOUR DATA		
	$	UNITS	$	UNITS	$	UNITS			
BOOKS, TESTS, REPRINTS, PAMPHLETS AND MANUALS	1236549	76746	1141146	70849	8.4	8.3			
AV AND OTHER MEDIA	4719	387	4088	303	15.4	27.7			
TOTAL	1241268	77133	1145234	71152	8.4	8.4			

Continued on page G-3

TABLE G2 - SALES OF COLLEGE TEXTBOOKS AND MATERIALS

Continued from page G-2

	RETURNS								
	1987		1986		PERCENT CHANGE		YOUR DATA		
	$	UNITS	$	UNITS	$	UNITS			
BOOKS, TESTS, REPRINTS, PAMPHLETS AND MANUALS	228578	17158	205824	12473	11.1	37.6			
AV AND OTHER MEDIA	711	43	531	25	33.9	72.0			
TOTAL	229289	17201	206355	12498	11.1	37.6			

	NET SALES								
	1987		1986		PERCENT CHANGE		YOUR DATA		
	$	UNITS	$	UNITS	$	UNITS			
BOOKS, TESTS, REPRINTS, PAMPHLETS AND MANUALS	1007971	59588	935322	58376	7.8	2.1			
AV AND OTHER MEDIA	4008	344	3557	278	12.7	23.7			
TOTAL	1011979	59932	938879	58654	7.8	2.2			

	1987 PERCENT RETURNS TO GROSS								
	DOLLARS		UNITS		YOUR DATA				
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE					
BOOKS, TESTS, REPRINTS, PAMPHLETS AND MANUALS	18.5	16.8 TO 19.8	22.4	17.3 TO 20.1					
AV AND OTHER MEDIA	15.1	13.0 TO 17.5	11.1	8.0 TO 21.6					
TOTAL	18.5	16.8 TO 19.8	22.3	17.3 TO 20.1					

	1986 PERCENT RETURNS TO GROSS								
	DOLLARS		UNITS		YOUR DATA				
	AVERAGE	MID-RANGE	AVERAGE	MID-RANGE					
BOOKS, TESTS, REPRINTS, PAMPHLETS AND MANUALS	18.0	16.3 TO 19.4	17.6	16.7 TO 20.6					
AV AND OTHER MEDIA	13.0	11.1 TO 16.9	8.3	6.9 TO 18.3					
TOTAL	18.0	16.3 TO 19.2	17.6	16.7 TO 20.6					

TABLE G3 - NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS-BY PRODUCT CATEGORY

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 23 PUBLISHERS

	1987		1986		1985		YOUR DATA			
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS				
TEXTBOOKS	946401	54881	868301	52625	821221	53611				
AUDIOVISUAL & OTHER MEDIA	3661	318	3580	280	2140	223				
TOTAL BOOKS & MATERIALS	950062	55199	871881	52905	823361	53834				

	1984		PERCENT CHANGE 87/86		PERCENT CHANGE 87/84		YOUR DATA			
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS				
TEXTBOOKS	788314	56222	9.0	4.3	20.1	-2.4				
AUDIOVISUAL & OTHER MEDIA	2017	166	2.3	13.6	81.5	91.6				
TOTAL BOOKS & MATERIALS	790331	56388	9.0	4.3	20.2	-2.1				

	1987 DOLLARS PER UNIT		1986 DOLLARS PER UNIT	
	$-AVG.	AVG $ MID-RANGE	$-AVG.	AVG $ MID-RANGE
TEXTBOOKS	17.24	12.80 TO 20.91	16.50	12.04 TO 19.46
AUDIOVISUAL & OTHER MEDIA	11.51	11.14 TO 25.04	12.79	12.64 TO 18.71
TOTAL BOOKS & MATERIALS	17.21	12.62 TO 20.91	16.48	12.04 TO 19.46

	1985 DOLLARS PER UNIT		1984 DOLLARS PER UNIT	
	$-AVG.	AVG $ MID-RANGE	$-AVG.	AVG $ MID-RANGE
TEXTBOOKS	15.32	10.97 TO 18.44	14.02	10.58 TO 17.06
AUDIOVISUAL & OTHER MEDIA	9.60	9.52 TO 16.71	12.15	11.95 TO 19.56
TOTAL BOOKS & MATERIALS	15.29	10.97 TO 18.44	14.02	10.58 TO 17.05

Table G4 - Estimated Domestic Sales of Books and Materials in the College Market, has been discontinued.

TABLE G5 - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS-BY MARKET CATEGORY

THOUSANDS OF DOLLARS - AS REPORTED BY 15 PUBLISHERS

	1986		1987			YOUR DATA		
	$	PCT OF TOTAL	$	PCT CHG FROM 86	PCT OF TOTAL			
DOMESTIC SALES								
BOOKSTORES (TOTAL)	449111	69.4	482996	7.5	69.7			
COLLEGE	413714	67.1	459766	11.1	66.4			
OTHER	14569	2.4	23230	59.4	3.4			
UNSPECIFIED	20828		0					
WHOLESALERS & JOBBERS	21247	3.4	23590	11.0	3.4			
LIBRARIES AND INSTITUTIONS (TOTAL)	101702	15.7	110545	8.7	16.0			
COLLEGES & UNIV.	74357	11.6	76676	3.1	11.1			
SCHOOLS	25024	3.9	32124	28.4	4.6			
PUBLIC LIBRARIES	1083	0.2	1207	11.4	0.2			
OTHER	521	0.1	538	3.3	0.1			
UNSPECIFIED	716		0					
GOVERNMENT	1887	0.3	1602	-15.1	0.2			
INDUSTRY	6822	1.1	6492	-4.8	0.9			
DIRECT TO CONSUMER	8582	1.3	8913	3.9	1.3			
OTHER	7151	1.1	7789	8.9	1.1			
TOTAL DOMESTIC SALES	596500	92.2	641927	7.6	92.7			
FOREIGN SALES	50325	7.8	50549	0.4	7.3			
ALL SALES	646826	100.0	692476	7.1	100.0			

TABLE G6a - NET SALES OF NEW AND REVISED AND BACKLIST COLLEGE TEXTBOOKS

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 13 PUBLISHERS

	1987		1986		PCT CHG 87/86		YOUR DATA			
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS				
TEXTBOOKS (TOTAL)	584158	33199	529919	31598	10.2	5.1				
NEW & REVISED	225617	12223	185831	10491	21.4	16.5				
BACKLIST	358541	20976	344088	21107	4.2	-0.6				

	1985		1984		PCT CHG 87/84		YOUR DATA			
	DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS				
TEXTBOOKS (TOTAL)	504930	31773	481916	33743	21.2	-1.6				
NEW & REVISED	172870	10144	172429	11078	30.8	10.3				
BACKLIST	332060	21629	309487	22665	15.9	-7.5				

Please see **Table G6a** note on page G-6.

TABLE G6b - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS -BY SUBJECT CATEGORIES

THOUSANDS OF DOLLARS - AS REPORTED BY 22 PUBLISHERS

	1987		1986		1985	
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL
ACCOUNTING	83924	8.5	69202	7.7	68160	8.0
ANTHROPOLOGY	4064	0.4	3374	0.4	3062	0.4
ART & ARCHITECTURE	18933	1.9	12335	1.4	10425	1.2
ASTRONOMY	990	0.1	986	0.1	844	0.1
BIOLOGY	38473	3.9	33229	3.7	32918	3.8
BUSINESS ADMINISTRATION	92533	9.4	92162	10.2	92526	10.8
MANAGEMENT	33691	3.5	29319	3.4	30104	3.7
MARKETING	19164	2.0	16310	1.9	15696	1.9
FINANCE	14369	1.5	12122	1.4	11156	1.4
OTHER	22779	2.4	31157	3.6	31318	3.8
UNSPECIFIED	2529		3254		4252	
BUSINESS EDUCATION	38778	3.9	37505	4.2	37441	4.4
CAREER EDUCATION & OCCUPATIONAL EDUC.	57933	5.9	54557	6.0	48953	5.7
CHEMISTRY (INCL. BIOCH.)	26381	2.7	24710	2.7	26256	3.1
COMPUTERS & COMPUTING	66831	6.8	66960	7.4	68913	8.0
ECONOMICS	33243	3.4	31235	3.5	29415	3.4
EDUCATION	30985	3.1	29797	3.3	28433	3.3
ENGINEERING	46081	4.7	53565	5.9	53643	6.3
ELECTRICAL	17427	1.8	20036	2.3	15817	2.2
CIVIL	4607	0.5	4709	0.5	4354	0.6
MECHANICAL	8084	0.8	6251	0.7	5817	0.8
OTHER	15963	1.6	19954	2.3	19867	2.7
UNSPECIFIED	0		2615		7788	
ENGLISH LANGUAGE & LIT.	62756	6.3	60245	6.7	57334	6.7
ENGLISH-AS-A-SECOND LANGUAGE	11626	1.2	2958	0.3	714	0.1
FOREIGN LANGUAGES (OTHER THAN FRENCH, GERMAN AND SPANISH)	4470	0.5	2039	0.2	2303	0.3
FRENCH	5347	0.5	5749	0.6	5559	0.6
GEOLOGY & EARTH SCIENCE	10765	1.1	7219	0.8	7068	0.8
GEOGRAPHY	4990	0.5	4330	0.5	3929	0.5
GERMAN	3036	0.3	3009	0.3	2840	0.3
HEALTH EDUCATION & PHYSICAL EDUCATION	13807	1.4	14963	1.7	11828	1.4
HISTORY	34352	3.5	26099	2.9	22625	2.6
HOME ECONOMICS	3652	0.4	2648	0.3	3580	0.4

Continued on page G-7

In **Table G6a** limiting themselves to **textbooks only**, and **including** export sales, publishers were asked to report their new and revised title sales (i.e. of titles copyrighted in the reporting year), and backlist sales separately.

Domestic Net Sales by **Subject Categories** are analyzed in **Tables G6b and G6c. Table G6b** includes **dollar data only,** but it reports the sale of **all** books and materials. **Table G6c** includes dollar and **unit** data, but is confined to **textbooks only,** excluding workbooks, tests, reprints, pamphlets, manuals and non-print media.

TABLE G6b - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS -BY SUBJECT CATEGORIES

Continued from page G-6

	1987		1986		1985	
	$	PCT OF TOTAL	$	PCT OF TOTAL	$	PCT OF TOTAL
MATHEMATICS	102525	10.4	92521	10.2	76451	8.9
MATHEMATICS	81467	8.4	59548	8.6	51951	7.6
STATISTICS	15725	1.6	9971	1.4	8407	1.2
OTHER	3030	0.3	1057	0.2	918	0.1
UNSPECIFIED	2303		21945		15175	
MUSIC	8400	0.8	7370	0.8	7134	0.8
NURSING & ALLIED HEALTH	18246	1.8	15902	1.8	14199	1.7
PHYSICS & PHYSICAL SCIENCE SURVEY	16336	1.7	14982	1.7	14065	1.6
POLITICAL SCIENCE, PUBLIC SERVICE & ADMINISTRATION	24248	2.5	22089	2.4	16589	1.9
PSYCHOLOGY	47309	4.8	44494	4.9	42532	5.0
RELIGION & PHILOSOPHY	10189	1.0	8342	0.9	9648	1.1
SOCIOLOGY	21816	2.2	17671	2.0	18477	2.2
SPANISH	10047	1.0	9318	1.0	8714	1.0
SPEECH, DRAMA & MASS MEDIA	21848	2.2	19174	2.1	16928	2.0
MISCELLANEOUS	14705	1.5	12806	1.4	13058	1.5
TOTAL	989619	100.0	903545	100.0	856564	100.0

TABLE G6c - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS-BY SUBJECT CATEGORIES

THOUSANDS OF DOLLARS AND UNITS - AS REPORTED BY 16 PUBLISHERS

	1987					1986				
	DOLLARS		UNITS		AVERAGE DOLLARS	DOLLARS		UNITS		AVERAGE DOLLARS
	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT
ACCOUNTING	67447	8.8	3455	8.4	19.52	55504	7.9	3095	7.9	17.93
ANTHROPOLOGY	3610	0.5	216	0.5	16.71	2972	0.4	182	0.5	16.33
ART & ARCHITECTURE	12145	1.6	543	1.3	22.37	6741	1.0	338	0.9	19.94
ASTRONOMY	6	0.0	0	0.0	0.00	280	0.0	12	0.0	23.33
BIOLOGY	26822	3.5	1176	2.9	22.81	23969	3.4	1193	3.0	20.09
BUSINESS ADMINISTRATION	83304	10.8	3611	8.8	23.07	84110	11.9	3909	9.9	21.52
MANAGEMENT	29343	3.9	1292	3.3	22.71	25956	3.8	1234	3.3	21.03
MARKETING	18283	2.4	683	1.7	26.77	15211	2.2	626	1.6	24.30
FINANCE	12816	1.7	530	1.3	24.18	11498	1.7	521	1.4	22.07
OTHER	20333	2.7	984	2.5	20.66	28669	4.2	1396	3.7	20.54
UNSPECIFIED	2529		123			2776		132		
BUSINESS EDUCATION	30748	4.0	1877	4.6	16.38	28371	4.0	1762	4.5	16.10
CAREER EDUCATION & OCCUPATIONAL EDUC.	49895	6.5	2505	6.1	19.92	45944	6.5	2251	5.7	20.41
CHEMISTRY (INCL. BIOCH.)	18601	2.4	767	1.9	24.25	17581	2.5	832	2.1	21.13

Continued on page G-8

TABLE G6c - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS-BY SUBJECT CATEGORIES

Continued from page G-7

	1987					1986				
	DOLLARS		UNITS		AVERAGE DOLLARS	DOLLARS		UNITS		AVERAGE DOLLARS
	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT
COMPUTERS & COMPUTING	45783	5.9	2242	5.5	20.42	43601	6.2	2640	6.7	16.52
ECONOMICS	25039	3.3	1246	3.0	20.10	23257	3.3	1227	3.1	18.95
EDUCATION	25626	3.3	1251	3.1	20.48	23709	3.4	1292	3.3	18.35
ENGINEERING	39373	5.1	1281	3.1	30.74	48995	6.9	1864	4.7	26.28
ELECTRICAL	13749	1.8	489	1.2	28.12	17626	2.6	685	1.8	25.73
CIVIL	4606	0.6	149	0.4	30.91	4705	0.7	157	0.4	29.97
MECHANICAL	6430	0.8	195	0.5	32.97	5797	0.9	182	0.5	31.85
OTHER	14588	1.9	448	1.1	32.56	18807	2.8	772	2.0	24.36
UNSPECIFIED	0		0			2060		68		
ENGLISH LANGUAGE & LIT.	46000	6.0	3765	9.2	12.22	43800	6.2	3661	9.3	11.96
ENGLISH-AS-A-SECOND LANGUAGE	10245	1.3	1557	3.8	6.58	2562	0.4	478	1.2	5.36
FOREIGN LANGUAGES (OTHER THAN FRENCH, GERMAN AND SPANISH)	3189	0.4	194	0.5	16.44	1244	0.2	80	0.2	15.55
FRENCH	4408	0.6	356	0.9	12.38	4780	0.7	330	0.8	14.48
GEOLOGY & EARTH SCIENCE	6202	0.8	258	0.6	24.04	4038	0.6	188	0.5	21.48
GEOGRAPHY	4804	0.6	200	0.5	24.02	4221	0.6	178	0.5	23.71
GERMAN	2439	0.3	193	0.5	12.64	2348	0.3	163	0.4	14.40
HEALTH EDUCATION & PHYSICAL EDUCATION	9658	1.3	613	1.5	15.76	11247	1.6	849	2.2	13.25
HISTORY	27976	3.6	1948	4.8	14.36	20501	2.9	1405	3.6	14.59
HOME ECONOMICS	1234	0.2	59	0.1	20.92	1075	0.2	54	0.1	19.91
MATHEMATICS	72112	9.4	3108	7.6	23.20	66668	9.4	3065	7.8	21.75
MATHEMATICS	61160	8.0	2664	6.6	22.96	44985	8.2	2121	6.8	21.21
STATISTICS	8040	1.1	329	0.8	24.44	6921	1.3	300	1.0	23.07
OTHER	2318	0.3	88	0.2	26.34	7	0.0	1	0.0	7.00
UNSPECIFIED	594		27			14755		643		
MUSIC	8928	1.2	454	1.1	19.67	7669	1.1	439	1.1	17.47
NURSING & ALLIED HEALTH	9435	1.2	609	1.5	15.49	8022	1.1	537	1.4	14.94
PHYSICS & PHYSICAL SCIENCE SURVEY	12088	1.6	491	1.2	24.62	11475	1.6	560	1.4	20.49
POLITICAL SCIENCE, PUBLIC SERVICE & ADMINISTRATION	18406	2.4	1061	2.6	17.35	16436	2.3	1079	2.7	15.23
PSYCHOLOGY	41278	5.4	2017	4.9	20.47	39388	5.6	2050	5.2	19.21
RELIGION & PHILOSOPHY	7993	1.0	466	1.1	17.15	7202	1.0	439	1.1	16.41
SOCIOLOGY	16628	2.2	845	2.1	19.68	15603	2.2	860	2.2	18.14
SPANISH	8535	1.1	668	1.6	12.78	7931	1.1	556	1.4	14.26
SPEECH, DRAMA & MASS MEDIA	20472	2.7	1303	3.2	15.71	17821	2.5	1161	3.0	15.35
MISCELLANEOUS	9423	1.2	602	1.5	15.65	7687	1.1	562	1.4	13.68
TOTAL	769852	100.0	40937	100.0	18.81	706752	100.0	39291	100.0	17.99

Continued on page G-9

TABLE G6c - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS-BY SUBJECT CATEGORIES

Continued from page G-8

	1985					1984				
	DOLLARS		UNITS		AVERAGE DOLLARS	DOLLARS		UNITS		AVERAGE DOLLARS
	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT
ACCOUNTING	54457	8.1	3269	8.0	16.66	54372	8.3	3595	8.2	15.12
ANTHROPOLOGY	2661	0.4	181	0.4	14.70	2395	0.4	198	0.5	12.10
ART & ARCHITECTURE	6540	1.0	373	0.9	17.53	5064	0.8	298	0.7	16.99
ASTRONOMY	184	0.0	9	0.0	20.44	326	0.0	14	0.0	23.29
BIOLOGY	24403	3.6	1323	3.2	18.45	23941	3.7	1378	3.1	17.37
BUSINESS ADMINISTRATION	84430	12.5	4538	11.1	18.61	84130	12.9	5117	11.7	16.44
MANAGEMENT	27331	4.2	1455	3.7	18.78	24987	4.0	1444	3.4	17.30
MARKETING	15121	2.3	721	1.9	20.97	14586	2.3	762	1.8	19.14
FINANCE	10278	1.6	542	1.3	18.96	11049	1.8	632	1.5	17.48
OTHER	29060	4.4	1675	4.2	17.35	30323	4.8	2094	5.0	14.48
UNSPECIFIED	2640		145			3185		185		
BUSINESS EDUCATION	28650	4.2	2557	6.3	11.20	26132	4.0	1967	4.5	13.29
CAREER EDUCATION & OCCUPATIONAL EDUC.	42746	6.3	2292	5.6	18.65	38726	5.9	2433	5.5	15.92
CHEMISTRY (INCL. BIOCH.)	18233	2.7	970	2.4	18.80	18408	2.8	1006	2.3	18.30
COMPUTERS & COMPUTING	50350	7.5	2765	6.8	18.21	60077	9.2	4422	10.1	13.59
ECONOMICS	22091	3.3	1208	3.0	18.29	23099	3.5	1448	3.3	15.95
EDUCATION	22906	3.4	1205	2.9	19.01	20438	3.1	1371	3.1	14.91
ENGINEERING	44510	6.6	1894	4.6	23.50	42437	6.5	1982	4.5	21.41
ELECTRICAL	13856	2.2	536	1.4	25.85	12600	2.0	537	1.3	23.46
CIVIL	4346	0.7	148	0.4	29.36	4414	0.7	165	0.4	26.75
MECHANICAL	5352	0.8	181	0.4	29.57	5422	0.9	215	0.5	25.22
OTHER	18427	2.9	870	2.3	21.18	17758	2.9	919	2.3	19.32
UNSPECIFIED	2529		159			2243		146		
ENGLISH LANGUAGE & LIT.	41561	6.2	3946	9.7	10.53	39012	6.0	4046	9.2	9.64
ENGLISH-AS-A-SECOND LANGUAGE	644	0.1	68	0.2	9.47	258	0.0	25	0.1	10.32
FOREIGN LANGUAGES (OTHER THAN FRENCH, GERMAN AND SPANISH)	1607	0.2	104	0.3	15.45	2416	0.4	196	0.4	12.33
FRENCH	4813	0.7	335	0.8	14.37	3531	0.5	289	0.7	12.22
GEOLOGY & EARTH SCIENCE	4562	0.7	230	0.6	19.83	4083	0.6	208	0.5	19.63
GEOGRAPHY	3805	0.6	172	0.4	22.12	3842	0.6	190	0.4	20.22
GERMAN	2323	0.3	170	0.4	13.66	1976	0.3	158	0.4	12.51
HEALTH EDUCATION & PHYSICAL EDUCATION	8259	1.2	667	1.6	12.38	7462	1.1	651	1.5	11.46
HISTORY	17795	2.6	1306	3.2	13.63	16577	2.5	1301	3.0	12.74
HOME ECONOMICS	2009	0.3	107	0.3	18.78	2084	0.3	118	0.3	17.66
MATHEMATICS	54820	8.1	2849	7.0	19.24	54665	8.4	2987	6.8	18.30
MATHEMATICS	39147	7.0	2029	6.1	19.29	38920	7.3	2124	6.0	18.32
STATISTICS	6250	1.1	309	0.9	20.23	5752	1.1	285	0.8	20.18
OTHER	13	0.0	1	0.0	13.00	0	0.0	0	0.0	0.00
UNSPECIFIED	9410		510			9993		578		
MUSIC	7525	1.1	464	1.1	16.22	7240	1.1	490	1.1	14.78
NURSING & ALLIED HEALTH	8340	1.2	556	1.4	15.00	7460	1.1	486	1.1	15.35
PHYSICS & PHYSICAL SCIENCE SURVEY	10595	1.6	518	1.3	20.45	10170	1.6	533	1.2	19.08
POLITICAL SCIENCE, PUBLIC SERVICE & ADMINISTRATION	14111	2.1	951	2.3	14.84	14105	2.2	1098	2.5	12.85
PSYCHOLOGY	36843	5.5	2176	5.3	16.93	31237	4.8	1944	4.4	16.07

Continued on page G-10

TABLE G6c - DOMESTIC NET SALES OF COLLEGE TEXTBOOKS-BY SUBJECT CATEGORIES

Continued from page G-9

	1985					1984				
	DOLLARS		UNITS		AVERAGE DOLLARS	DOLLARS		UNITS		AVERAGE DOLLARS
	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT	$	PCT OF TOTAL	NO.	PCT OF TOTAL	PER UNIT
RELIGION & PHILOSOPHY	7280	1.1	482	1.2	15.10	6813	1.0	497	1.1	13.71
SOCIOLOGY	15813	2.3	943	2.3	16.77	14066	2.2	931	2.1	15.11
SPANISH	7972	1.2	570	1.4	13.99	5808	0.9	495	1.1	11.73
SPEECH, DRAMA & MASS MEDIA	15514	2.3	1096	2.7	14.16	13451	2.1	1062	2.4	12.67
MISCELLANEOUS	5971	0.9	585	1.4	10.21	7337	1.1	850	2.0	8.63
TOTAL	674323	100.0	40879	100.0	16.50	653138	100.0	43840	100.0	14.90

TABLE G7a - NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS-BY GEOGRAPHICAL LOCATION

THOUSANDS OF DOLLARS - AS REPORTED BY 18 PUBLISHERS - WITH ESTIMATES OF INDUSTRY TEXTBOOK SALES

	ACTUAL SALES REPORTED (TEXTBOOKS & MATERIALS)			ESTIMATED INDUSTRY SALES (TEXTBOOKS ONLY)					YOUR DATA
	1987	1986	PERCENT CHANGE	1987		1986		1966-68 (1)	
				$	INDEX	$	INDEX		
DOMESTIC UNITED STATES									
ALABAMA	11503	9648	19.2	20117	754	16918	634	2668	
ALASKA	2111	1933	9.2	3093	1242	2840	1141	.249	
ARIZONA	13168	12385	6.3	19874	878	18741	828	2263	
ARKANSAS	6103	5316	14.8	11181	627	9763	548	1783	
CALIFORNIA	107797	98581	9.3	166949	568	153116	521	29394	
COLORADO	13661	12924	5.7	23293	593	22091	563	3927	
CONNECTICUT	12146	11323	7.3	21319	485	19917	453	4395	
DELAWARE	3359	3037	10.6	5066	797	4591	722	636	
DIST. OF COLUMBIA	6218	6265	-0.8	9758	352	9861	356	2771	
FLORIDA	32674	27421	19.2	54818	810	46101	681	6765	
GEORGIA	17461	15943	9.5	27756	661	25410	605	4199	
HAWAII	3666	3289	11.5	6368	478	5726	430	1331	
IDAHO	2704	2238	20.8	3881	327	3220	271	1187	
ILLINOIS	40541	37530	8.0	65859	457	61130	424	14405	
INDIANA	18273	16867	8.3	32957	527	30505	488	6249	
IOWA	9962	9150	8.9	17768	467	16355	430	3804	
KANSAS	7526	6944	8.4	12118	430	11207	398	2816	
KENTUCKY	9482	7859	20.7	15634	526	12984	437	2973	
LOUISIANA	13194	12124	8.8	21560	610	19865	562	3535	
MAINE	3607	3437	4.9	6073	417	5804	398	1458	
MARYLAND	18183	15975	13.8	29707	630	26167	555	4719	
MASSACHUSETTS	30990	29289	3.9	49852	410	48098	396	12149	
MICHIGAN	32726	29643	10.4	54958	505	49902	458	10885	
MINNESOTA	15777	14104	11.9	26067	526	23352	471	4958	
MISSISSIPPI	5976	5144	16.2	10027	506	8650	437	1980	
MISSOURI	17673	15972	10.6	31246	563	28320	510	5551	
MONTANA	2427	2345	3.5	4041	429	3914	416	941	
NEBRASKA	5106	4349	17.4	8456	491	7221	419	1723	

Continued on page G-11

TABLE G7a - NET SALES OF COLLEGE TEXTBOOKS AND MATERIALS-BY GEOGRAPHICAL LOCATION

Continued from page G-10

	ACTUAL SALES REPORTED (TEXTBOOKS & MATERIALS)			ESTIMATED INDUSTRY SALES (TEXTBOOKS ONLY)					YOUR DATA
	1987	1986	PERCENT CHANGE	1987		1986		1966-68 (1)	
				$	INDEX	$	INDEX		
NEVADA	3049	2740	11.3	6757	933	6085	840	724	
NEW HAMPSHIRE	3970	3762	5.5	5792	445	5503	423	1302	
NEW JERSEY	24606	24876	-1.1	41840	524	42408	531	7986	
NEW MEXICO	5476	4557	20.2	8697	629	7253	524	1383	
NEW YORK	71324	69052	3.3	124182	486	120508	472	25530	
NORTH CAROLINA	20051	18483	8.5	38966	714	36001	660	5457	
NORTH DAKOTA	3151	2669	18.1	5045	573	4282	486	881	
OHIO	37005	33835	9.4	57267	469	52474	430	12205	
OKLAHOMA	10127	9794	3.4	17062	552	16542	534	3095	
OREGON	9639	9062	6.4	16286	434	15344	409	3754	
PENNSYLVANIA	44690	41268	8.3	75296	480	69695	444	15682	
RHODE ISLAND	4455	3925	13.5	6776	440	5985	388	1541	
SOUTH CAROLINA	9526	8560	11.3	14786	615	13317	554	2404	
SOUTH DAKOTA	2226	2159	3.1	3512	326	3415	317	1078	
TENNESSEE	13247	11982	10.6	22133	517	20061	469	4279	
TEXAS	54830	48544	12.9	83673	685	74293	608	12214	
UTAH	6786	5961	13.8	10907	491	9608	433	2220	
VERMONT	2607	2379	9.6	4155	483	3800	441	861	
VIRGINIA	23290	21401	8.8	36034	753	33200	694	4787	
WASHINGTON	15535	13596	14.3	28984	656	25420	575	4421	
WEST VIRGINIA	5530	5387	2.7	9840	452	9605	441	2176	
WISCONSIN	15118	14033	7.7	23489	447	21863	416	5254	
WYOMING	1797	1792	0.3	2910	547	2908	547	532	
TOTAL DOMESTIC U.S.	852051	781392	9.0	1404185	541	1291340	498	259480	
P.R. & OTHER U.S. POSS.	4236	3901	8.6	10129	976	9350	901	1038	
FOREIGN									
CANADA	27561	28072	-1.8	38575	338	39378	345	11423	
EUROPE	6395	6971	-8.3	24328	391	26594	428	6215	
ALL OTHER	28999	28346	2.3	43983	426	43099	417	10327	
TOTAL FOREIGN	62955	63387	-0.7	106886	382	109070	390	27965	
ALL SALES	919242	848680	8.3	1521200	527	1409760	489	288383	

The first three columns in **Table G7a** show actual sales of reporting publishers by geographical location, and include **both textbooks and audiovisual and other materials.**

The remaining columns continue the historical series of estimated industry sales and, therefore, include **textbook sales only.**

The reader is cautioned that the actual change in sales for a given state may not reflect an actual sales increase (or decrease), but rather a shift in sales between reporting and non-reporting publishers.

Note: (1) Figures in the column so marked, provide the base (100%) for the index, and represent the average for the years 1966 through 1968.

TABLE G7b - GEOGRAPHICAL ANALYSIS OF ESTIMATED DOMESTIC INDUSTRY SALES OF COLLEGE TEXTBOOKS

THOUSANDS OF STUDENTS AND DOLLARS

	EST. INDUSTRY SALES ($)		PERCENT OF TOTAL SALES		ENROLLMENT		SALES PER CAPITA ($)		RANK IN SALES PER CAPITA	
	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986
ALABAMA	20117	16918	1.43	1.31						
ALASKA	3093	2840	.22	.22						
ARIZONA	19874	18741	1.42	1.45						
ARKANSAS	11181	9763	.80	.76						
CALIFORNIA	166949	153116	11.89	11.86						
COLORADO	23293	22091	1.66	1.71						
CONNECTICUT	21319	19917	1.52	1.54						
DELAWARE	5066	4591	.36	.36						
DISTRICT OF COLUMBIA	9758	9861	.69	.76						
FLORIDA	54818	46101	3.90	3.57						
GEORGIA	27756	25410	1.98	1.97						
HAWAII	6368	5726	.45	.44						
IDAHO	3881	3220	.28	.25						
ILLINOIS	65859	61130	4.69	4.73						
INDIANA	32957	30505	2.35	2.36						
IOWA	17768	16355	1.27	1.27						
KANSAS	12118	11207	.86	.87						
KENTUCKY	15634	12984	1.11	1.01						
LOUISIANA	21560	19865	1.54	1.54						
MAINE	6073	5804	.43	.45						
MARYLAND	29707	26167	2.12	2.03						
MASSACHUSETTS	49852	48098	3.55	3.72						
MICHIGAN	54958	49902	3.91	3.86						
MINNESOTA	26067	23352	1.86	1.81						
MISSISSIPPI	10027	8650	.71	.67						
MISSOURI	31246	28320	2.23	2.19						
MONTANA	4041	3914	.29	.30						
NEBRASKA	8456	7221	.60	.56						
NEVADA	6757	6085	.48	.47						
NEW HAMPSHIRE	5792	5503	.41	.43						
NEW JERSEY	41840	42408	2.98	3.28						
NEW MEXICO	8697	7253	.62	.56						
NEW YORK	124182	120508	8.84	9.33						
NORTH CAROLINA	38966	36001	2.77	2.79						
NORTH DAKOTA	5045	4282	.36	.33						
OHIO	57267	52474	4.08	4.06						
OKLAHOMA	17062	16542	1.21	1.28						
OREGON	16286	15344	1.16	1.19						
PENNSYLVANIA	75296	69695	5.36	5.40						
RHODE ISLAND	6776	5985	.48	.46						
SOUTH CAROLINA	14786	13317	1.05	1.03						
SOUTH DAKOTA	3512	3415	.25	.26						
TENNESSEE	22133	20061	1.58	1.55						
TEXAS	83673	74293	5.96	5.75						
UTAH	10907	9608	.78	.74						
VERMONT	4155	3800	.30	.29						
VIRGINIA	36034	33200	2.57	2.57						
WASHINGTON	28984	25420	2.06	1.97						
WEST VIRGINIA	9840	9605	.70	.74						
WISCONSIN	23489	21863	1.67	1.69						
WYOMING	2910	2908	.21	.23						
TOTAL	1404185	1291340	100.00	100.00						

Enrollment data for this table are furnished by the National Center for Education Statistics. As of this writing (Mid-October 1988), the 1986 data are now scheduled for December 1988 release. The 1987 data are not even scheduled! For earlier year data we refer the reader to the AAP 1985 Industry Statistics.

Footnotes for **Table G7b** appear on page G-27.

TABLE G8 - OPERATING DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 22 PUBLISHERS

	ALL PUBLISHER						
	1987			1986			YOUR DATA
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES		
		%	MID-RANGE		%	MID-RANGE	
GROSS SALES	1002065	122.6	116.7 TO 125.1	909548	122.4	117.5 TO 125.8	
RETURNS & ALLOWANCES	184752	22.6	16.7 TO 25.1	166418	22.4	17.5 TO 25.8	
NET SALES	817314	100.0	100.0 TO 100.0	743131	100.0	100.0 TO 100.0	
COST OF SALES							
PAPER, PRINTING, BINDING & DUPL. COSTS	144799	17.7	15.3 TO 20.2	133666	18.0	15.4 TO 21.5	
ROYALTIES	116309	14.2	13.2 TO 15.0	105572	14.2	11.6 TO 15.2	
TOTAL COST OF SALES	261108	31.9	29.2 TO 34.5	239238	32.2	28.2 TO 35.3	
GROSS MARGIN ON SALES	556206	68.1	65.5 TO 70.8	503893	67.8	64.7 TO 71.8	
OTHER INCOME	9308	1.1	0.1 TO 1.8	10447	1.4	0.2 TO 1.8	
PUBLISHING & OPERATING EXPENSES							
PLANT COSTS	60843	7.5	5.9 TO 9.7	55750	7.6	5.3 TO 9.0	
EDITORIAL	55327	6.8	5.5 TO 8.8	51018	6.9	5.9 TO 8.9	
PRODUCTION	26497	3.3	1.5 TO 4.3	23893	3.2	1.9 TO 4.5	
MARKETING	144104	17.7	13.3 TO 21.9	125382	17.0	15.2 TO 21.2	
FULFILLMENT	42849	5.3	4.3 TO 6.2	41212	5.6	4.4 TO 7.2	
GENERAL & ADMIN.	91017	11.2	8.4 TO 13.4	91227	12.4	8.6 TO 16.1	
UNSPECIFIED	2721			2552			
TOTAL PUBL. & OPERATING EXPENSE	423358	51.8	46.8 TO 59.9	391034	52.6	47.0 TO 63.2	
INCOME FROM OPERATIONS*	142156	17.4	11.3 TO 19.9	123306	16.6	6.8 TO 19.5	

* Operating expenses as reported above do not include certain corporate charges. Examples of items which may not be reported are corporate staff compensation, legal and accounting fees, interest costs, and other charges which are not directly applicable to a particular business segment. As a result, income from operations as expressed above does not reflect actual pre-tax operating margins.

Continued on page G-14

OPERATING DATA

Data are furnished by size of publisher (**Tables G8 through G17**). **Table G8** is a summary table, offering a composite income statement of the reporting publishers. The remaining tables detail specific expense areas including a time series covering detailed expense ratios of the past four years (**Tables G18 through G23**).

The series of **Tables G18 through G23** (pages G-23 through G-26) provide comparisons for four years, of expense ratios in operating areas. Note that the reported changes in the ratios from year to year are based on comparisons of **unrounded** figures, while the actual ratios reported in the tables have been rounded to one decimal point. As a result, changes in magnitude will be reported for figures which, because of the rounding, appear to be identical.

Text continued on page G-14

TABLE G8 - OPERATING DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page G-13

	6 PUBLISHERS WITH 1987 NET SALES UNDER $12 MILLION							
	1987			1986			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	45180	117.6	110.3 TO 124.8	41753	117.9	108.3 TO 127.3		
RETURNS & ALLOWANCES	6763	17.6	10.3 TO 24.8	6351	17.9	8.3 TO 27.3		
NET SALES	38418	100.0	100.0 TO 100.0	35402	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	6446	16.8	13.3 TO 20.8	6471	18.3	14.4 TO 22.1		
ROYALTIES	5272	13.7	10.1 TO 15.8	4269	12.1	4.8 TO 16.3		
TOTAL COST OF SALES	11718	30.5	27.7 TO 33.0	10740	30.3	25.9 TO 34.0		
GROSS MARGIN ON SALES	26700	69.5	67.0 TO 72.3	24662	69.7	66.0 TO 74.1		
OTHER INCOME	383	1.0	0.6 TO 2.0	318	0.9	0.3 TO 1.6		
PUBLISHING & OPERATING EXPENSES								
PLANT COSTS	2729	8.1	4.9 TO 12.5	2437	7.8	6.1 TO 10.4		
EDITORIAL	2431	7.2	4.8 TO 12.1	2454	7.9	6.0 TO 12.8		
PRODUCTION	1134	3.4	2.1 TO 6.4	1044	3.4	1.9 TO 7.6		
MARKETING	5973	17.7	11.2 TO 20.4	5949	19.1	10.2 TO 24.5		
FULFILLMENT	2037	6.0	5.1 TO 7.7	1871	6.0	5.4 TO 7.3		
GENERAL & ADMIN.	5074	15.1	10.5 TO 18.6	4949	15.9	10.7 TO 21.2		
UNSPECIFIED	2721			2552				
TOTAL PUBL. & OPERATING EXPENSE	22099	57.5	52.1 TO 63.6	21256	60.0	54.7 TO 65.5		
INCOME FROM OPERATIONS*	4984	13.0	7.3 TO 17.3	3724	10.5	5.9 TO 16.3		

* Please see corresponding note on page G-13.

Continued on page G-15

Text continued from page G-13

While encouraged to furnish sales data on a calendar year basis, publishers were given the option of supplying operating information on a fiscal year basis. 5 publishers exercised this option. For the fiscal year publishers, the month terminating their reporting year is listed below, together with the number of publishers for each such month:

March - 2
April - 1
June - 1
October - 1

18 publishers, with net sales of $700.9 million, supplemented their operating data by reporting Cash Plant Expenditures of $56.3 million (8.0% of net sales). Since plant costs in Table G8 are reported on an accrual basis and subject, therefore, to varying treatment (amortization, write-off, inventory inclusion, etc.) depending on individual publishers' policies, valid comparison of a given publishers' experience with the composite figure becomes difficult. However, by reporting plant expenditures on a cash basis (i.e. actual monies spent during the year not related to books sold or to amortization of amounts previously expended), all reporting companies are, at least, placed on the same footing. By relating the expenditures to these publishers' net sales, a yardstick of comparison is established, even though no true (i.e. accrual) relationship exists between the cash amounts spent on the sales consummated during the year.

Text continued on page G-15

TABLE G8 - OPERATING DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page G-14

	5 PUBLISHERS WITH 1987 NET SALES $12 TO $30 MILLION						
	1987			1986			YOUR DATA
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES		
		%	MID-RANGE		%	MID-RANGE	
GROSS SALES	121891	121.9	116.5 TO 125.1	105553	120.5	115.8 TO 123.5	
RETURNS & ALLOWANCES	21886	21.9	16.5 TO 25.1	17992	20.5	15.8 TO 23.5	
NET SALES	100005	100.0	100.0 TO 100.0	87561	100.0	100.0 TO 100.0	
COST OF SALES							
PAPER, PRINTING, BINDING & DUPL. COSTS	19069	19.1	15.2 TO 22.1	18304	20.9	17.8 TO 23.6	
ROYALTIES	14207	14.2	11.8 TO 15.1	11740	13.4	10.8 TO 14.5	
TOTAL COST OF SALES	33276	33.3	27.7 TO 36.9	30044	34.3	29.6 TO 38.1	
GROSS MARGIN ON SALES	66729	66.7	63.1 TO 72.3	57517	65.7	61.9 TO 70.4	
OTHER INCOME	438	0.4	0.0 TO 1.6	270	0.3	0.1 TO 0.9	
PUBLISHING & OPERATING EXPENSES							
PLANT COSTS	7227	7.2	5.3 TO 9.5	6321	7.2	5.0 TO 10.2	
EDITORIAL	6995	7.0	5.9 TO 8.2	6151	7.0	6.1 TO 8.1	
PRODUCTION	2865	2.9	1.6 TO 3.6	2790	3.2	1.7 TO 4.0	
MARKETING	20151	20.1	15.5 TO 24.8	18390	21.0	16.9 TO 25.7	
FULFILLMENT	6785	6.8	3.3 TO 9.0	5890	6.7	3.4 TO 8.8	
GENERAL & ADMIN.	11188	11.2	9.8 TO 12.1	10167	11.6	9.9 TO 14.0	
UNSPECIFIED	0			0			
TOTAL PUBL. & OPERATING EXPENSE	55211	55.2	49.8 TO 59.6	49709	56.8	49.9 TO 63.0	
INCOME FROM OPERATIONS*	11956	12.0	7.7 TO 19.7	8077	9.2	3.1 TO 16.3	

* Please see corresponding note on page G-13.

Continued on page G-16

Text continued from page G-14

To provide an added perspective on the accrual figure reported in Table G8, however, publishers were asked to report their methods of treating plant costs:

7 publishers reported using sum-of-the-years' digits systems (varying from 3 to 5 years); 3 publishers reported straight-line amortization of 3 to 5 years; 9 publishers added the cost to inventory and expensed it over periods of 1 to 4 years, and 2 publishers used combinations of systems.

17 publishers, with total net sales of $523.9 million reported carrying unamortized plant costs totaling $71.1 million (13.6% of net sales) on their year-end balance sheets. $16.9 million of this amount involved unpublished titles; $39.5 million involved published titles; and $14.7 million were reported without specification.

TABLE G8 - OPERATING DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page G-15

	6 PUBLISHERS WITH 1987 NET SALES $30 TO $60 MILLION						
	1987			1986			YOUR DATA
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES		
		%	MID-RANGE		%	MID-RANGE	
GROSS SALES	349949	122.0	119.1 TO 125.1	311050	121.7	117.5 TO 128.4	
RETURNS & ALLOWANCES	63095	22.0	19.1 TO 25.1	55502	21.7	17.5 TO 28.4	
NET SALES	286854	100.0	100.0 TO 100.0	255549	100.0	100.0 TO 100.0	
COST OF SALES							
PAPER, PRINTING, BINDING & DUPL. COSTS	54757	19.1	17.3 TO 21.4	46077	18.0	15.8 TO 21.4	
ROYALTIES	40131	14.0	12.9 TO 15.1	35483	13.9	12.9 TO 15.5	
TOTAL COST OF SALES	94888	33.1	31.2 TO 36.7	81560	31.9	29.0 TO 36.7	
GROSS MARGIN ON SALES	191966	66.9	63.3 TO 68.8	173989	68.1	63.3 TO 71.0	
OTHER INCOME	-121	-0.0	0.1 TO 1.8	-117	-0.0	0.2 TO 1.8	
PUBLISHING & OPERATING EXPENSES							
PLANT COSTS	18277	6.4	4.2 TO 10.0	17274	6.8	3.9 TO 10.6	
EDITORIAL	22414	7.8	5.1 TO 10.4	20185	7.9	6.4 TO 9.2	
PRODUCTION	7467	2.6	1.4 TO 3.8	7220	2.8	1.4 TO 4.3	
MARKETING	55350	19.3	17.1 TO 21.5	47286	18.5	17.0 TO 20.3	
FULFILLMENT	13831	4.8	4.1 TO 5.6	14802	5.8	4.4 TO 7.4	
GENERAL & ADMIN.	25475	8.9	6.8 TO 12.8	25327	9.9	7.3 TO 12.9	
UNSPECIFIED	0			0			
TOTAL PUBL. & OPERATING EXPENSE	142814	49.8	41.9 TO 56.1	132094	51.7	45.1 TO 59.0	
INCOME FROM OPERATIONS*	49031	17.1	12.7 TO 20.7	41778	16.3	10.2 TO 25.2	

* Please see corresponding note on page G-13.

Continued on page G-17

TABLE G8 - OPERATING DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

Continued from page G-16

	5 PUBLISHERS WITH 1987 NET SALES ABOVE $60 MILLION							
	1987			1986			YOUR DATA	
	$	PERCENT OF NET SALES		$	PERCENT OF NET SALES			
		%	MID-RANGE		%	MID-RANGE		
GROSS SALES	485045	123.7	118.7 TO 127.8	451192	123.7	120.8 TO 126.6		
RETURNS & ALLOWANCES	93008	23.7	18.7 TO 27.8	86573	23.7	20.8 TO 26.6		
NET SALES	392037	100.0	100.0 TO 100.0	364619	100.0	100.0 TO 100.0		
COST OF SALES								
PAPER, PRINTING, BINDING & DUPL. COSTS	64527	16.5	14.2 TO 19.4	62814	17.2	14.8 TO 20.8		
ROYALTIES	56699	14.5	13.2 TO 16.0	54080	14.8	13.8 TO 16.3		
TOTAL COST OF SALES	121226	30.9	29.1 TO 34.1	116894	32.1	29.1 TO 36.8		
GROSS MARGIN ON SALES	270811	69.1	65.9 TO 70.9	247725	67.9	63.2 TO 70.9		
OTHER INCOME	8608	2.2	0.1 TO 3.7	9976	2.7	0.2 TO 4.6		
PUBLISHING & OPERATING EXPENSES								
PLANT COSTS	32610	8.3	7.5 TO 9.2	29718	8.2	6.8 TO 9.1		
EDITORIAL	23487	6.0	5.4 TO 7.0	22228	6.1	4.6 TO 8.4		
PRODUCTION	15031	3.8	2.2 TO 5.6	12839	3.5	2.1 TO 5.5		
MARKETING	62630	16.0	10.1 TO 19.8	53757	14.7	10.5 TO 18.2		
FULFILLMENT	20196	5.2	3.1 TO 6.7	18649	5.1	3.1 TO 6.7		
GENERAL & ADMIN.	49280	12.6	8.4 TO 15.7	50784	13.9	8.3 TO 17.7		
UNSPECIFIED	0			0				
TOTAL PUBL. & OPERATING EXPENSE	203234	51.8	42.3 TO 58.6	187975	51.6	43.0 TO 56.2		
INCOME FROM OPERATIONS*	76185	19.4	13.4 TO 26.2	69726	19.1	10.6 TO 24.4		

* Please see corresponding note on page G-13.

TABLE G9 - INVENTORY DATA OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 18 PUBLISHERS
WITH TOTAL NET SALES OF $694,001,000

	ALL PUBLISHERS		5 PUBLISHERS NET SALES UP TO $12 MILLION		4 PUBLISHERS NET SALES $12--$30 MILLION		4 PUBLISHERS NET SALES $30--$60 MILLION		5 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
BEGINNING INVENTORY	105260	15.2	5485	15.2	12980	14.8	25528	14.3	61266	15.6
PURCHASES OF PAPER, PRINTING, BINDING & DUPLICATING	148244	21.4	6403	17.7	20070	22.9	44904	25.2	76868	19.6
COST OF FREE COPIES	17722	2.6	878	2.4	2316	2.6	6415	3.6	8114	2.1
WRITE DOWNS	11877	1.7	385	1.1	1100	1.3	4236	2.4	6156	1.6
ENDING INVENTORY AFTER WRITE DOWNS	114265	16.5	5192	14.4	13890	15.8	30667	17.2	64516	16.5
PAPER, PRINTING, BINDING & DUPL. COST OF PRODUCTS SOLD	121517	17.5	5817	16.1	16845	19.2	33351	18.7	65504	16.7

Based on data in Table G9, the inventory turnover of all reporting publishers is 1.1; that of publishers with net sales up to $12 million is also 1.1; that of publishers with net sales $12 to $30 million is 1.3; that of publishers with net sales $30 to $60 million is 1.2; and that of publishers with net sales above $60 million is 1.0.

TABLE G10 - ROYALTY EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 20 PUBLISHERS
WITH TOTAL NET SALES OF $797,936,000

	ALL PUBLISHERS		5 PUBLISHERS NET SALES UP TO $12 MILLION		4 PUBLISHERS NET SALES $12--$30 MILLION		6 PUBLISHERS NET SALES $30--$60 MILLION		5 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ROYALTIES AND FEES PAID	113689	13.8	4490	13.6	8188	13.6	45659	13.4	55352	14.1
ADVANCES WRITTEN OFF	2456	0.3	37	0.1	55	0.1	1017	0.3	1348	0.3
TOTAL ROYALTY EXPENSE	116145	14.1	4527	13.7	8243	13.7	46676	13.7	56700	14.5

For Table G10, in addition to royalty operating data, publishers were asked to report the level of royalty advances carried on their balance sheets at reporting year end.

For 1987, 16 publishers with net sales of $653.4 million reported royalty advances before write-off of $28.9 million (4.4% of net sales), and after write-off of $26.6 million (4.1% of net sales). The write-off therefore represented 0.4% of net sales and 8.2% of gross advances.

For 1986, 16 publishers reported royalty advances before write-off of $22.4 million (3.8% of the reported $593.1 million net sales), and after write-off the advances totaled $19.4 million (3.3% of net sales). The write-off therefore represented 0.5% of net sales and 13.4% of gross advances.

TABLE G11 - EDITORIAL EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 22 PUBLISHERS
WITH TOTAL NET SALES OF $815,634,000

	ALL PUBLISHERS		6 PUBLISHERS NET SALES UP TO $12 MILLION		5 PUBLISHERS NET SALES $12--$30 MILLION		6 PUBLISHERS NET SALES $30--$60 MILLION		5 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
EDITORIAL COSTS										
DEPARTMENTAL (OTHER THAN COPY EDITING) SALARIES	30538	3.8	1823	4.7	4264	4.7	13393	4.1	12858	3.3
BENEFITS	5781	0.7	317	0.8	892	1.0	2081	0.7	2491	0.6
DEP'T'L TRAVEL & ENT.	4563	0.6	364	0.9	607	0.7	1624	0.6	1968	0.5
ADVISOR'S FEES	5055	0.6	107	0.3	602	0.7	2879	1.0	1467	0.4
OTHER EDITORIAL EXP.	8229	1.0	231	0.6	630	0.7	2665	0.9	4703	1.2
TOTAL EDITORIAL EXPENSE	54166	6.7	2841	7.4	6996	7.8	20841	7.3	23488	6.0

TABLE G12 - PRODUCTION EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 22 PUBLISHERS
WITH TOTAL NET SALES OF $815,634,000

	ALL PUBLISHERS		6 PUBLISHERS NET SALES UP TO $12 MILLION		5 PUBLISHERS NET SALES $12--$30 MILLION		6 PUBLISHERS NET SALES $30--$60 MILLION		5 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PRODUCTION COSTS										
PRODUCTION SALARIES	12701	1.6	515	1.8	1734	1.7	4231	1.5	6221	1.6
PRODUCTION BENEFITS	2635	0.3	89	0.3	395	0.4	828	0.3	1323	0.3
OUTSIDE PRODUCTION COSTS	3178	0.4	97	0.3	101	0.1	1998	0.7	983	0.3
COPY EDITING COSTS (INC. SALARIES)	5005	0.6	379	1.3	458	0.5	1305	0.5	2864	0.7
COPY EDITING STAFF BENEFITS	1738	0.2	43	0.2	76	0.1	220	0.1	1398	0.4
OTHER PRODUCTION EXP.	3337	0.4	172	0.6	102	0.1	823	0.3	2240	0.6
TOTAL PRODUCTION EXPENSE	28595	3.5	1295	4.6	2866	2.9	9404	3.3	15030	3.8

TABLE G13 - MARKETING EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 21 PUBLISHERS
WITH TOTAL NET SALES OF $741,572,000

	ALL PUBLISHERS		6 PUBLISHERS NET SALES UP TO $12 MILLION		5 PUBLISHERS NET SALES $12--$30 MILLION		6 PUBLISHERS NET SALES $30--$60 MILLION		4 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
SELLING EXPENSE										
SALARIES & BONUSES	41197	5.6	931	2.4	6320	6.3	17716	6.2	16229	5.1
BENEFITS	8041	1.1	164	0.4	1107	1.1	3193	1.1	3577	1.1
DEPARTMENTAL TRAVEL & ENTERTAINMENT	15148	2.0	513	1.3	2316	2.3	6855	2.4	5464	1.7
OTHER SELLING EXPENSE	11599	1.6	384	1.0	3140	3.1	3202	1.1	4874	1.5
TOTAL SELLING EXPENSE	75984	10.2	1991	5.2	12883	12.9	30965	10.9	30145	9.5
PROMOTION EXPENSE										
DEPARTMENTAL SALARIES & BONUSES	7294	1.0	718	1.9	794	0.8	2069	0.7	3713	1.2
BENEFITS	1588	0.2	127	0.3	179	0.2	392	0.1	889	0.3
DEPARTMENTAL TRAVEL & ENTERTAINMENT	740	0.1	138	0.4	97	0.1	240	0.1	266	0.1
SPACE ADVERTISING	2021	0.3	175	0.5	410	0.4	704	0.2	732	0.2
CATALOGS, DIRECT MAIL & SELLING MAT'L	11879	1.6	948	2.5	1663	1.7	5718	2.0	3550	1.1
FREE COPIES (INCL. POSTAGE)	27225	3.7	1645	4.3	3416	3.4	11425	4.0	10739	3.4
FREE ANCILLARY SOFTWARE & FILMS	1457	0.2	29	0.1	165	0.2	100	0.0	1163	0.4
EXHIBITS	2847	0.4	205	0.5	235	0.2	1778	0.6	629	0.2
OTHER	5073	0.7	392	1.0	309	0.3	1159	0.4	3213	1.0
TOTAL PROMOTION EXPENSE	60124	8.1	4378	11.4	7268	7.3	23585	8.3	24894	7.8
TOTAL MARKETING EXPENSE	136108	18.4	6369	16.6	20151	20.1	54550	19.1	55039	17.3

TABLE G14 - SALESMEN'S COMPENSATION AND EXPENSE OF COLLEGE PUBLISHERS

	1987	1986	1985	1984
NUMBER OF COMPANIES REPORTING	16	15	14	13
NUMBER OF SALESMEN	872	726	702	632
SALESMAN TURNOVER (%)	17.1	17.6	22.1	21.7
AVERAGE SALARY ($)	28359	25984	24387	22030
AVERAGE SALARY AND COMMISSION ($)	32309	30719	28745	26167
AVERAGE TRAVEL EXP. ($)	12495	12458	13699	12450
AVERAGE CONFERENCE EXPENSE ($)	2633	2369	2299	2347

Continued on page G-21

TABLE G14 - SALESMEN'S COMPENSATION AND EXPENSE OF COLLEGE PUBLISHERS

Continued from page G-20

	1987	1986	1985	1984
AVERAGE FREE COPY EXPENSE ($)	22073	21596	21062	18786
TOTAL COMPENSATION, TRAVEL, CONFERENCE & FREE COPIES AS A PERCENT OF NET SALES	11.3	10.9	11.5	10.4
AVERAGE TERRITORY SIZE ($000)	614	593	587	570

TABLE G15 - FULFILLMENT EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS

AS REPORTED BY 11 PUBLISHERS WITH NET SALES OF $539,858,000 USING INTERNAL FACILITIES	ALL PUBLISHERS		2 PUBLISHERS NET SALES UP TO $12 MILLION		1 PUBLISHER NET SALES $12--$30 MILLION		4 PUBLISHERS NET SALES $30--$60 MILLION		4 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
ORDER PROCESSING AND CUSTOMER SERVICE										
SALARIES (TOTAL)	5818	1.1					1604	0.8	3855	1.2
ACC'TS RECEIVABLE & CREDIT CNTRL	962	0.2					245	0.2	622	0.2
ORDER PROCESSING & CUSTOMER SERV.	4178	0.8					1023	0.6	2980	0.9
OTHER	405	0.1					64	0.0	252	0.1
UNSPECIFIED	272						272		0	
BENEFITS	1433	0.3					340	0.2	1028	0.3
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	4692	0.9					578	0.3	3631	1.1
OTHER (INC. EQUIPMENT AND SUPPLIES)	1587	0.3					201	0.1	1318	0.4
TOTAL ORDER PROCESSING AND CUSTOMER SERVICE	13530	2.5					2724	1.4	9833	3.1
SHIPPING & WAREHOUSING										
SALARIES	8776	1.6					2856	1.5	5427	1.7
BENEFITS	1909	0.4					551	0.3	1264	0.4
OCCUPANCY	3648	0.7					1307	0.7	1926	0.6
EQUIPMENT & SUPPLIES	1815	0.3					814	0.4	790	0.2
TRANSPORTATION CHRGES	453	0.1					790	0.4	-488	-0.2
OTHER	163	0.0					137	0.1	49	0.0
TOTAL SHIPPING AND WAREHOUSING	16764	3.1					6455	3.4	8968	2.8
TOTAL FULFILLMENT EXP. OF PUBLISHERS USING INTERNAL FACILITIES	30294	5.6					9179	4.8	18801	5.9

Data for publishers with net sales "Up To $10 Million" and "$10 to $25 Million" have been suppressed to prevent disclosure.

TABLE G16 - GENERAL AND ADMINISTRATIVE EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 21 PUBLISHERS
WITH TOTAL NET SALES OF $813,357,000

	ALL PUBLISHERS		5 PUBLISHERS NET SALES UP TO $12 MILLION		5 PUBLISHERS NET SALES $12--$30 MILLION		6 PUBLISHERS NET SALES $30--$60 MILLION		5 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
MANAGEMENT SALARIES	11763	1.4	1129	3.1	1475	1.5	3176	1.1	5984	1.5
MANAGEMENT BENEFITS	2318	0.3	228	0.6	270	0.3	586	0.2	1234	0.3
ACCOUNTING SALARIES	5642	0.7	410	1.1	932	0.9	1680	0.6	2620	0.7
ACCOUNTING BENEFITS	1192	0.1	74	0.2	204	0.2	322	0.1	593	0.2
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	8579	1.1	369	1.0	626	0.6	2701	0.9	4883	1.2
GENERAL OFFICE BENEFITS	2247	0.3	338	0.9	150	0.1	553	0.2	1206	0.3
GENERAL TRAVEL & ENT.	1829	0.2	192	0.5	170	0.2	582	0.2	885	0.2
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOCATED)	8398	1.0	147	0.4	940	0.9	2439	0.9	4871	1.2
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	15042	1.8	776	2.1	1619	1.6	5241	1.8	7406	1.9
TAXES (EXCEPT INCOME & PAYROLL TAXES)	1872	0.2	51	0.1	539	0.5	492	0.2	790	0.2
PERSONAL PROPERTY TAX	946	0.1	29	0.1	498	0.5	311	0.1	108	0.1
ALL OTHER TAXES	564	0.1	22	0.1	41	0.0	181	0.1	320	0.2
UNSPECIFIED	362		0		0		0		362	
INTEREST EXPENSE	2435	0.3	193	0.5	976	1.0	4	0.0	1262	0.3
OTHER	26069	3.2	1466	4.1	3287	3.3	6314	2.2	15003	3.8
TOTAL GENERAL AND ADMINISTRATIVE EXP.	87387	10.7	5373	14.9	11187	11.2	24090	8.4	46738	11.9

TABLE G17 - SUMMARY OF EMPLOYEE BENEFITS EXPENSE OF COLLEGE PUBLISHERS - BY SIZE OF PUBLISHER

THOUSANDS OF DOLLARS - AS REPORTED BY 20 PUBLISHERS
WITH TOTAL NET SALES OF $806,135,000

	ALL PUBLISHERS		4 PUBLISHERS NET SALES UP TO $12 MILLION		5 PUBLISHERS NET SALES $12--$30 MILLION		6 PUBLISHERS NET SALES $30--$60 MILLION		5 PUBLISHERS NET SALES ABOVE $60 MILLION	
	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES	$	PCT-NET SALES
PENSIONS	1906	0.2	135	0.5	272	0.3	1278	0.4	220	0.1
DEFERRED PROFIT SHARING	4232	0.5	0	0.0	645	0.6	1241	0.4	2346	0.6
HOSPITALIZATION & GROUP INSURANCE	9123	1.1	375	1.3	1336	1.3	3480	1.2	3932	1.0
PAYROLL TAXES	10615	1.3	429	1.5	1459	1.5	3641	1.3	5087	1.3
OTHER	1783	0.2	11	0.0	499	0.5	474	0.2	799	0.2
TOTAL EMPLOYEE BENEFITS	27660	3.4	950	3.3	4211	4.2	10114	3.5	12384	3.2

TABLE G18 - EDITORIAL EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 17 PUBLISHERS
WITH 1987 NET SALES OF $715,992,000

	1987			1986		1985		1984
	PCT NET SALES	PCT CHG FROM 86	PCT CHG FROM 84	PCT NET SALES	PCT CHG FROM 85	PCT NET SALES	PCT CHG FROM 84	PCT NET SALES
EDITORIAL COSTS								
DEPARTMENTAL (OTHER THAN COPY EDITING)								
SALARIES	3.8	3.2	2.3	3.7	-3.2	3.8	2.4	3.7
BENEFITS	0.7	0.5	-0.1	0.7	0.7	0.7	-1.3	0.7
DEP'T'L TRAVEL & ENT.	0.5	2.0	-9.9	0.5	1.7	0.5	-13.1	0.6
ADVISOR'S FEES	0.7	21.9	14.4	0.6	12.1	0.5	-16.4	0.6
OTHER EDITORIAL EXP.	1.0	-4.9	-9.9	1.0	6.8	1.0	-11.2	1.1
TOTAL EDITORIAL EXPENSE	6.8	3.2	0.1	6.6	0.3	6.5	-3.3	6.8

TABLE G19 - PRODUCTION EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 17 PUBLISHERS
WITH 1987 NET SALES OF $715,992,000

	1987			1986		1985		1984
	PCT NET SALES	PCT CHG FROM 86	PCT CHG FROM 84	PCT NET SALES	PCT CHG FROM 85	PCT NET SALES	PCT CHG FROM 84	PCT NET SALES
PRODUCTION COSTS								
PRODUCTION SALARIES	1.5	-7.9	19.7	1.6	4.1	1.5	24.9	1.2
PRODUCTION BENEFITS	0.3	-10.4	29.6	0.4	14.7	0.3	26.1	0.2
OUTSIDE PRODUCTION COSTS	0.3	-5.5	33.8	0.4	11.4	0.3	27.0	0.3
COPY EDITING COSTS (INCL. SALARIES)	0.7	5.8	-11.3	0.7	-1.0	0.7	-15.3	0.8
COPY EDITING STAFF BENEFITS	0.2	155.2	118.4	0.1	9.4	0.1	-21.8	0.1
OTHER PRODUCTION EXP.	0.4	10.3	-18.4	0.4	-4.7	0.4	-22.4	0.5
TOTAL PRODUCTION EXPENSE	3.5	1.1	11.5	3.4	3.9	3.3	6.1	3.1

TABLE G20 - MARKETING EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS
WITH 1987 NET SALES OF $641,930,000

	1987			1986		1985		1984
	PCT NET SALES	PCT CHG FROM 86	PCT CHG FROM 84	PCT NET SALES	PCT CHG FROM 85	PCT NET SALES	PCT CHG FROM 84	PCT NET SALES
SELLING EXPENSE								
SALARIES & BONUSES	5.6	14.1	7.4	4.9	3.1	4.8	-8.8	5.2
BENEFITS	1.1	9.0	19.1	1.0	7.5	1.0	1.7	1.0
DEPARTMENTAL TRAVEL & ENTERTAINMENT	1.9	5.4	-0.5	1.8	-2.4	1.9	-3.4	1.9
OTHER SELLING EXPENSE	1.6	53.7	20.8	1.0	-47.0	1.9	48.2	1.3
TOTAL SELLING EXPENSE	10.3	16.3	8.8	8.8	-7.7	9.6	1.3	9.5
PROMOTION EXPENSE								
DEPARTMENTAL SALARIES & BONUSES	1.0	1.8	12.0	1.0	1.5	1.0	8.4	0.9
BENEFITS	0.2	9.4	20.5	0.2	-1.1	0.2	11.3	0.2
DEPARTMENTAL TRAVEL & ENTERTAINMENT	0.1	9.3	11.7	0.1	18.5	0.1	-13.7	0.1
SPACE ADVERTISING	0.3	14.4	-10.5	0.2	-13.9	0.3	-9.1	0.3
CATALOGS, DIRECT MAIL & SELLING MAT'L	1.6	-6.0	0.9	1.7	9.9	1.6	-2.3	1.6
FREE COPIES (INCL. POSTAGE)	3.8	8.3	24.1	3.5	8.1	3.3	6.0	3.1
FREE ANCILLARY SOFTWARE & FILMS	0.2	815.5	9472.9	0.0	964.5	0.0	-1.8	0.0
EXHIBITS	0.4	12.2	36.3	0.3	26.2	0.3	-3.8	0.3
OTHER	0.7	-50.0	59.9	1.4	106.4	0.7	54.8	0.5
TOTAL PROMOTION EXPENSE	8.3	-2.9	20.9	8.6	17.0	7.3	6.5	6.9
TOTAL MARKETING EXPENSE	18.6	6.9	13.9	17.4	3.0	16.9	3.5	16.3

TABLE G21 - FULFILLMENT EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 10 PUBLISHERS
WITH 1987 NET SALES OF $534,388,000

	1987			1986		1985		1984
	PCT NET SALES	PCT CHG FROM 86	PCT CHG FROM 84	PCT NET SALES	PCT CHG FROM 85	PCT NET SALES	PCT CHG FROM 84	PCT NET SALES
ORDER PROCESSING AND CUSTOMER SERVICE								
SALARIES (TOTAL)	1.1	-6.4	-29.5	1.2	-20.5	1.4	-5.3	1.5
ACC'TS RECEIVABLE & CREDIT CONTRL	0.2	-47.7	-31.6	0.3	-51.8	0.7	171.5	0.3
ORDER PROCESSING & CUSTOMER SERV.	0.8	17.6	-27.7	0.7	19.3	0.6	-48.5	1.1
OTHER	0.1	31.3	-20.8	0.1	-30.4	0.1	-13.4	0.1
UNSPECIFIED	0.1	-46.5	-50.2	0.1	-10.5	0.1	4.0	0.1
BENEFITS	0.3	-2.6	-24.2	0.3	-19.1	0.3	-3.8	0.4
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOC.)	0.9	13.0	-0.7	0.8	2.3	0.8	-14.1	0.9
OTHER (INC. EQUIPMENT AND SUPPLIES)	0.3	-13.2	68.0	0.3	-9.2	0.4	113.3	0.2
TOTAL ORDER PROCESSING AND CUSTOMER SERVICE	2.5	-1.0	-14.4	2.5	-13.0	2.9	-0.7	2.9
SHIPPING & WAREHOUSING								
SALARIES	1.6	-3.1	-0.9	1.7	3.9	1.6	-1.6	1.6
BENEFITS	0.4	6.8	6.0	0.3	7.5	0.3	-7.6	0.3
OCCUPANCY	0.7	-22.7	-20.4	0.9	17.7	0.7	-12.6	0.8
EQUIPMENT & SUPPLIES	0.3	-9.2	-20.8	0.4	16.5	0.3	-25.2	0.4
TRANSPORTATION CHRGES	0.1	-55.0	-77.2	0.2	-25.0	0.2	-32.3	0.3
OTHER	0.0	-146.4	-55.0	-0.1	-192.0	0.1	5.3	0.1
TOTAL SHIPPING AND WAREHOUSING	3.1	-7.5	-14.9	3.3	2.3	3.2	-10.0	3.6
TOTAL FULFILLMENT EXP. OF PUBLISHERS USING INTERNAL FACILITIES	5.6	-4.7	-14.7	5.9	-4.9	6.2	-5.8	6.5

TABLE G22 - GENERAL AND ADMINISTRATIVE EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 17 PUBLISHERS
WITH 1987 NET SALES OF $715,992,000

	1987			1986		1985		1984
	PCT NET SALES	PCT CHG FROM 86	PCT CHG FROM 84	PCT NET SALES	PCT CHG FROM 85	PCT NET SALES	PCT CHG FROM 84	PCT NET SALES
MANAGEMENT SALARIES	1.4	-9.3	-8.0	1.5	-9.0	1.7	11.5	1.5
MANAGEMENT BENEFITS	0.3	-9.7	-22.4	0.3	-7.4	0.3	-7.3	0.4
ACCOUNTING SALARIES	0.6	-11.1	-13.9	0.7	-14.3	0.8	12.9	0.7
ACCOUNTING BENEFITS	0.1	-12.3	-31.8	0.2	-12.3	0.2	-11.3	0.2
GENERAL OFFICE SALARIES (EXC. FULFILLMENT)	1.0	-15.7	33.4	1.2	87.4	0.7	-15.5	0.8
GENERAL OFFICE BENEFITS	0.3	-12.2	21.9	0.3	102.4	0.2	-31.4	0.2
GENERAL TRAVEL & ENT.	0.2	-4.5	-21.0	0.2	5.2	0.2	-21.4	0.3
EDP/SYSTEMS EXPENSE (DIRECT OR ALLOCATED)	1.0	-11.1	14.6	1.1	20.8	0.9	6.7	0.9
OCCUPANCY EXPENSE (EXC. WAREHOUSING)	1.9	-14.8	-4.3	2.2	16.8	1.9	-3.8	2.0
TAXES (EXCEPT INCOME & PAYROLL TAXES)	0.2	-24.0	0.9	0.3	34.8	0.2	-1.5	0.2
PERSONAL PROPERTY TAX	0.1	-36.3	-9.8	0.2	47.8	0.1	-4.2	0.1
ALL OTHER TAXES	0.1	-15.9	-0.5	0.1	16.8	0.1	1.2	0.1
UNSPECIFIED	0.1	14.5	49.9	0.0	24.5	0.0	5.1	0.0
INTEREST EXPENSE	0.3	5.8	48.0	0.3	1.8	0.3	37.4	0.2
OTHER	3.4	-2.0	5.3	3.5	22.8	2.8	-12.6	3.3
TOTAL GENERAL AND ADMINISTRATIVE EXP.	10.9	-9.2	1.9	12.0	16.4	10.3	-3.6	10.7

TABLE G23 - EMPLOYEE BENEFITS EXPENSE RATIOS OF COLLEGE PUBLISHERS

THOUSANDS OF DOLLARS - AS REPORTED BY 16 PUBLISHERS
WITH 1987 NET SALES OF $711,963,000

	1987			1986		1985		1984
	PCT NET SALES	PCT CHG FROM 86	PCT CHG FROM 84	PCT NET SALES	PCT CHG FROM 85	PCT NET SALES	PCT CHG FROM 84	PCT NET SALES
PENSIONS	0.3	-47.4	-54.7	0.5	-13.4	0.6	-0.5	0.6
DEFERRED PROFIT SHARING	0.5	10.1	0.8	0.5	17.6	0.4	-22.1	0.5
HOSPITALIZATION & GROUP INSURANCE	1.1	-9.7	-11.4	1.3	12.4	1.1	-12.7	1.3
PAYROLL TAXES	1.3	-8.8	-8.7	1.5	-2.9	1.5	3.0	1.4
OTHER	0.2	-37.4	93.0	0.3	-5.5	0.3	226.4	0.1
TOTAL EMPLOYEE BENEFITS	3.5	-14.1	-12.8	4.0	1.7	4.0	-0.2	4.0

TABLE G24 - EMPLOYEE DATA OF COLLEGE PUBLISHERS

AS REPORTED BY 19 PUBLISHERS - EMPLOYING 3,792 TOTAL STAFF (1987)
(1987 NET SALES PER EMPLOYEE - $204,982)

	AVERAGE NUMBER OF EMPLOYEES PER $1,000,000 OF NET SALES				YOUR DATA			
	1987	1986	1985	1984				
ACQUISITION & DEVELOPMENT	1.1	1.2	1.1	1.2				
PRODUCTION, EDITORIAL & MANUFACTURING	0.7	0.8	0.9	1.0				
MARKETING (TOTAL)	2.1	2.3	2.3	2.4				
SALES	1.7	1.9	1.9	2.0				
PROMOTION	0.4	0.4	0.4	0.4				
ADMINISTRATIVE MANAGEMNT	0.3	0.4	0.5	0.5				
OTHER	0.7	0.8	0.8	1.0				
ALL EMPLOYEES	4.9	5.5	5.6	6.2				

TABLE G25 - SELECTED BALANCE SHEET DATA

AS REPORTED BY 14 PUBLISHERS
WITH 1987 NET SALES OF $550,630,000

	PCT-NET SALES	
	GROSS	NET OF RESERVE
INVENTORIES	16.7	14.9
ROYALTY ADVANCES	6.1	5.3
PLANT COST CAPITALIZED	30.4	11.8
ACCOUNTS RECEIVABLE	31.9	21.4

(The following is text material for **Table G7b** which appears on page G-12)

In **Table G7b**, estimated sales are related to enrollment data on a state-by-state basis. 1986 and 1987 again utilize estimated **full-time equivalent** fall enrollment data. The estimates are based on data released by the National Center for Education Statistics. Since both sales and enrollments are estimated and no adjustments are made for the sales of college textbooks to markets other than formal higher education, the resulting per capita figures **should not be taken literally** but should be regarded as trend indicators only.

Definitions for most line items, and instructions for furnishing data to the AAP Industry Statistics are included in the survey questionnaires. Overall methodology, and definitions of the publishing divisions themselves are presented in this volume beginning on page xiii.

The Higher Education Statistics Committee is supplementing this material with the following brief definitions of the major (i.e. Table G8) line items:

Gross Sales: Total domestic and foreign sales of books, tests, reprints, pamphlets, audio-visual aids and other media materials developed by the College division. Each publisher reports sales on a calendar (preferred) or fiscal year basis.

Returns: Credits against gross sales for merchandise returned or adjustments made. Includes only actual returns, not reserves; excudes transportation.

Net Sales: Gross Sales less Returns. Excludes subsidiary rights, permissions and distribution income.

Cost of Sales: Manufacturing costs and royalties applicable to goods sold. Excludes plate and development costs. Includes landed costs of imports and acquisition cost of distributed editions.

Paper, Printing, Binding & Dupl. Costs (PPB): Calculated based on beginning inventory plus purchases, less ending inventory and free copies. Inventory includes bound stock, including books on consignment, as well as raw materials. Any editorial plant costs are estimated and removed from inventory. Purchases include transportation costs up to the first point of shipment; costs of containers supplied by the manufacturer, and duplicating costs for AV, software, and other non-print products. Free copies are deducted from inventory and include only books given away for promotional purposes, but not teaching aids, which are considered a cost of sale of the book they accompany. Inventory write-offs are deducted from ending inventory, so the cost of revaluations appears as PPB.

Royalty Expense: Payments of royalties resulting from sales during the reporting year; includes grants, advances written-off and override royalties paid to consulting editors but not to staff editors (The latter are reported as salary).

Other Income: Subsidiary rights, permissions and distribution income.

Gross Margin: Net Sales less PPB and Royalties. Does not include plate or development costs.

Publishing and Operating Expenses:

Plant Costs: Non-recurring manufacturing costs, plus outside artwork. Includes typesetting, negatives and plates (provided the plates can be used for reprints; otherwise reported as PPB). The cost of master films and recordings for AV and one-time processing costs for software are reported here. Also includes permissions, retyping costs (if paid by the publisher), and preparation of camera-ready copy.

Editorial: Acquisition and development costs only, including salaries, benefits, T & E, reference and research materials, stationery, supplies and reviews.

Production: Salary and benefit costs of copy editorial, design, and production staffs, as well as freelance costs, outside production services, reference materials, art supplies, stationery and T & E.

Marketing: Selling and promotion expenses. Includes advertising, catalogs, free copies and postage, exhibits, free software, salaries, bonuses, T & E, and automobiles.

Fulfillment: Order and return processing, customer service, shipping and storage, accounts receivable, systems expense (for order processing only), equipment rental, transportation not paid by customer or included in PPB, warehouse rent or depreciation and operating expenses, supplies and salaries. Multi-divisional houses allocate fulfillment expenses based on the number of orders processed.

General & Administrative: Management, accounting, general office, tax, insurance, legal, and systems expense. Also includes all occupancy, telephone, overhead, utility and collection costs. Corporate assessments (fees charged by parent companies) are not included unless they represent payments for services actually received which the publisher would otherwise have to furnish or purchase elsewhere. G & A is allocated on a percentage of sales basis (except for occupancy costs which are based on space used).